









# **STORY OF A TARIFF**

**(THE TARIFF ACT OF 1909)**

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**SPEECHES OF  
PRESIDENT TAFT, SPEAKER CANNON  
AND 162 OTHER  
EXTRACTS FROM DEBATE IN THE  
EXTRA SESSION OF THE SIXTY-FIRST CONGRESS**

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**93 SUBJECTS: 577 NOTATIONS**

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**1910.**

## LINCOLN'S TARIFF CREED

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Secretary Stanton once asked Abraham Lincoln what he thought of a Protective Tariff. Mr. Lincoln replied: "I don't know much about the Tariff, but I do know that if my wife buys her cloak in America, we get the money and the cloak, and that American labor is paid for producing it; if she buys her cloak abroad, we get only the cloak, the other country gets the money, and foreign labor receives the benefit."

V. S. R. D. 27, 192

To the President  
Comptroller  
W. G. Waller  
M. M. H. 21  
3/2/21

565  

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# STORY OF A TARIFF

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# STORY OF A TARIFF

( THE TARIFF ACT OF 1909 )

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“The Best Tariff Bill that the Republican Party Ever Passed.”  
—PRESIDENT TAFT.

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“There is only one thing that can halt this confident move forward to give the country another era of prosperity such as we had from 1897 to 1907, and that is agitation for the mere purpose of agitation, without any well-conceived healthy purpose in view.”—SPEAKER CANNON.

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“Everybody has a perfect Tariff Bill—in his mind, but, unfortunately, a bill of that character has no extra-territorial jurisdiction.”—The late THOMAS B. REED.

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*( Parts of Congressional Record. )*

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## EXTRACTS FROM DEBATE IN THE EXTRA SESSION OF THE SIXTY-FIRST CONGRESS INCLUDING SPEECHES BY

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**The President of the United States  
Declares the Tariff Law of 1909 to  
be "The Best Tariff Bill that the  
Republican Party Ever Passed."**

*Speech of President Taft*

*At Winona, Minn., September 17, 1909.  
Presented by Mr. Carter, December 7,  
1909. Ordered to be Printed.*

MY FELLOW-CITIZENS: As long ago as August, 1906, in the congressional campaign in Maine, I ventured to announce that I was a Tariff revisionist, and thought that the time had come for a readjustment of the schedules. I pointed out that it had been ten years prior to that time that the Dingley bill had been passed; that great changes had taken place in the conditions surrounding the productions of the farm, the factory, and the mine, and that under the theory of Protection in that time the rates imposed in the Dingley bill in many instances might have become excessive; that is, might have been greater than the difference between the cost of production abroad and the cost of production at home, with a sufficient allowance for a reasonable rate of profit to the American producer. I said that the party was divided on the issue, but that in my judgment the opinion of the party was crystallizing and would probably result in the near future in an effort to make such revision. I pointed out the difficulty that there always was in a revision of the Tariff, due to the threatened disturbance of industries to be affected, and the suspension of business, in a way which made it unwise to have too many revisions. In the summer of 1907 my position on the Tariff was challenged, and I then entered into a somewhat fuller discussion of the matter. It was contended by the so-called "standpatters" that rates beyond the necessary measure of Protection were not objectionable, because behind the Tariff wall competition always reduced the prices, and thus saved the consumer. But I pointed out in that speech what seems to me as true today as it then was, that the danger of excessive rates was in the temptation they created to form monopolies in the Protected articles, and thus to take advantage of the excessive rates by in-

creasing the prices, and therefore, and in order to avoid such a danger, it was wise at regular intervals to examine the question of what the effect of the rates had been upon the industries in this country, and whether the conditions with respect to the cost of production here had so changed as to warrant a reduction in the Tariff, and to make a lower rate truly Protective of the industry.

*Not to Destroy Protected Industries.*

It will be observed that the object of the revision under such a statement was not to destroy Protected industries in this country, but it was to continue to Protect them where lower rates offered a sufficient Protection to prevent injury by foreign competition. That was the object of the revision as advocated by me, and it was certainly the object of the revision as promised in the Republican platform.

I want to make as clear as I can this proposition, because, in order to determine whether a bill is a compliance with the terms of that platform, it must be understood what the platform means. A Free-Trader is opposed to any Protective rate because he thinks that our manufacturers, our farmers, and our miners ought to withstand the competition of foreign manufacturers and miners and farmers, or else go out of business and find something else more profitable to do. Now, certainly the promises of the platform did not contemplate the downward revision of the Tariff rates to such a point that any industry theretofore Protected should be injured. Hence, those who contend that the promise of the platform was to reduce prices by letting in foreign competition, are contending for a Free-Trade, and not for anything that they had the right to infer from the Republican platform.

*Spent a Full Year in Investigation.*

The Ways and Means Committee of the House, with Mr. Payne at its head, spent a full year in an investigation, assembling evidence in reference to the rates under the Tariff, and devoted an immense amount of work in the study of the question where the Tariff rates could be reduced and where they ought to be raised with a view to maintaining a reasonably Protective

rate, under the principles of the platform, for every industry that deserved Protection. They found that the determination of the question, what was the actual cost of production and whether an industry in this country could live under a certain rate and withstand threatened competition from abroad, was most difficult. The manufacturers were prone to exaggerate the injury which a reduction in the duty would give and to magnify the amount of duty that was needed; while the importers, on the other hand, who were interested in developing the importation from foreign shores, were quite likely to be equally biased on the other side.

Mr. Payne reported a bill—the Payne Tariff bill—which went to the Senate and was amended in the Senate by increasing the duty on some things and decreasing it on others. The difference between the House bill and the Senate bill was very much less than the newspapers represented. It turns out upon examination that the reductions in the Senate were about equal to those in the House, though they differed in character. Now, there is nothing quite so difficult as the discussion of a Tariff bill, for the reason that it covers so many different items, and the meaning of the terms and the percentages are very hard to understand. The passage of a new bill, especially where a change in the method of assessing the duties has been followed, presents an opportunity for various modes and calculations of the percentages of increases and decreases that are most misleading and really throw no light at all upon the changes made.

#### *Decreases 654, Increases 220.*

One way of stating what was done is to say what the facts show—that under the Dingley law there were 2,024 items. This included dutiable items only. The Payne law leaves 1,150 of these items unchanged. There are decreases in 654 of the items and increases in 220 of the items. Now, of course, that does not give a full picture, but it does show the proportion of decreases to have been three times those of the increases. Again, the schedules are divided into letters from A to N. The first schedule is that of chemicals, oils, etc. There are 232

items in the Dingley law; of these, 81 were decreased, 22 were increased, leaving 129 unchanged.

Under Schedule B—earths, earthen and glassware—there were 170 items in the Dingley law; 46 were decreased, 12 were increased, and 112 left unchanged.

C is the schedule of metals and manufactures. There were 321 items in the Dingley law; 185 were decreased, 30 were increased, and 106 were left unchanged.

D is the schedule of wood and manufactures of wood. There were 35 items in the Dingley law; 18 were decreased 3 were increased, and 14 were left unchanged.

There were 38 items in sugar, and of these 2 were decreased and 36 left unchanged.

Schedule F covers tobacco and manufactures of tobacco, of which there were 8 items; they were all left unchanged.

In the schedule covering agricultural products and provisions there were 187 items in the Dingley law; 14 of them were decreased, 19 were increased, and 154 left unchanged.

Schedule H—that of spirits and wines—contained 33 items in the Dingley law; 4 were decreased, 23 increased, and 6 were left unchanged.

In cotton manufactures there were 261 items; of these 28 were decreased, 47 increased, and 186 left unchanged.

In Schedule J—flax, hemp, and jute—there were 254 items in the Dingley law; 187 were reduced, 4 were increased, and 63 left unchanged.

In wool, and manufactures thereof, there were 78 items; 3 were decreased, none were increased, and 75 left unchanged.

In silk and silk goods there were 78 items; of these, 21 were decreased, 31 were increased, and 26 were left unchanged.

In pulp, papers, and books there were 59 items in the Dingley law, and of these 11 were decreased, 9 were increased, and 39 left unchanged.

In sundries there were 270 items, and of these 54 were decreased, 20 were increased, and 196 left unchanged.

So that the total showed 2,024 items in the Dingley law, of which 654 were decreased, 220 were increased, making 874 changes, and 1,150 left unchanged.

*Changes Made in the Payne Law.*Changes in Dingley law by  
Payne law.

Schedules.	Items in Dingley law.	Changes in Dingley law by Payne law.		Total	
		Decreases.	Increases.	changes.	Unchanged.
A. Chemicals, oils, etc.....	232	81	22	103	129
B. Earthen, earthen and glass ware.....	170	46	12	58	112
C. Metals, and manufactures of.....	321	185	30	215	106
D. Wood, and manufactures of.....	35	18	3	21	14
E. Sugar, molasses, and manufactures of..	38	2	0	2	36
F. Tobacco, and manufactures of.....	8	0	0	0	8
G. Agricultural products and provisions...	187	14	19	33	154
H. Spirits, wines, etc.....	33	4	23	27	6
I. Cotton manufactures.....	261	28	47	75	186
J. Flax, hemp, jute, manufactures of....	254	187	4	191	63
K. Wool, and manufactures of.....	78	3	0	3	75
L. Silk and silk goods.....	78	21	31	52	26
M. Pulp, papers, and books.....	59	11	9	20	39
N. Sundries.....	270	54	20	74	196
Total .....	2,024	654	220	874	1,150

Attempts have been made to show what the real effect of these changes has been by comparing the imports under the various schedules, and assuming that the changes and their importance were in proportion to the importations. Nothing could be more unjust in a Protective Tariff which also contains revenue provisions. Some of the Tariff is made for the purpose of increasing the revenue by increasing importations which shall pay duty. Other items in the Tariff are made for the purpose of reducing competition, that is, by reducing importations, and, therefore, the question of the importance of a change in rate can not in the slightest degree be determined by the amount of imports that take place. In order to determine the importance of the changes, it is much fairer to take the articles on which the rates of duty have been reduced and those on which the rates of duty have been increased, and then determine from statistics how large a part the articles upon which duties have been reduced play in the consumption of the country, and how large a part those upon which the duties have been increased play in the consumption of the country. Such a table has been prepared by Mr. Payne, than whom there is no one who understands better what the Tariff is and who has given more attention to the details of the schedule.

*Mainly Reductions.*

Now, let us take Schedule A—chemicals, oils, and paints. The articles upon which the duty has been de-

creased are consumed in this country to the extent of \$433,000,000. The articles upon which the duty has been increased are consumed in this country to the extent of \$11,000,000.

Take Schedule B. The articles on which the duty has been decreased entered in the consumption of the country to the amount of \$128,000,000, and there has been no increase in duty on such articles.

Take Schedule C—metals and their manufactures. The amount to which such articles enter into the consumption of the country is \$1,221,000,000, whereas the articles of the same schedule upon which there has been an increase enter into the consumption of the country to the extent of only \$37,000,000.

Take Schedule D—lumber. The articles in this schedule upon which there has been a decrease enter into the consumption of the country to the extent of \$566,000,000, whereas the articles under the same schedule upon which there has been an increase enter into its consumption to the extent of \$31,000,000.

In tobacco there has been no change.

In agricultural products, those in which there has been a reduction of rates enter into the consumption of the country to the extent of \$483,000,000; those in which there has been an increase enter into the consumption to the extent of \$4,000,000.

In the schedule of wines and liquors, the articles upon which there has been an increase, enter into the consumption

of the country to the extent of \$462,000,000.

In cottons there has been a change in the higher-priced cottons and an increase. There has been no increase in the lower-priced cottons, and of the increases the high-priced cottons enter into the consumption of the country to the extent of \$41,000,000.

Schedule J—flax, hemp, and jute. The articles upon which there has been a decrease enter into the consumption of the country to the extent of \$22,000,000, while those upon which there has been an increase enter into the consumption to the extent of \$804,000. In Schedule J as to wool, there has been no change.

In Schedule L as to silk, the duty has been decreased on articles which enter into the consumption of the country to the extent of \$8,000,000, and has been increased on articles that enter into the consumption of the country to the extent of \$106,000,000.

On paper and pulp the duty has been decreased on articles, including print

paper, that enter into the consumption of the country to the extent of \$67,000,000, and increased on articles that enter into the consumption of the country to the extent of \$81,000,000.

In sundries, or Schedule N, the duty has been decreased on articles that enter into the consumption of the country to the extent of \$1,719,000,000; and increased on articles that enter into the consumption of the country to the extent of \$101,000,000.

*Increases in Luxuries.*

It will be found that in Schedule A the increases covered only luxuries—perfumeries, pomades, and like articles; Schedule H—wines and liquors—which are certainly luxuries and are made subject to increase in order to increase the revenues, amounting to \$462,000,000; and in Schedule L—silks—which are luxuries, certainly, \$106,000,000, making a total of the consumption of those articles upon which there was an increase and which were luxuries of \$579,000,000, leaving a balance

*Decreases Cover Values of Nearly Five Billions.*

Schedule.	Article.	STATEMENT.	
		Consumption value. Duties decreased.	Duties increased.
A.	Chemicals, oils, and paints.....	\$ 433,099,846	\$ 11,105,820
B.	Earths, earthenware, and glassware.....	128,423,732	.....
C.	Metals, and manufactures of.....	1,221,956,620	37,675,804
D.	Wood, and manufactures of.....	566,870,950	31,280,372
E.	Sugar, molasses, and manufactures of.....	300,965,953	.....
F.	Tobacco, and manufactures of (no change of rates).....	.....	.....
G.	Agricultural products and provisions.....	483,430,637	4,380,043
H.	Spirits, wines, and other beverages.....	.....	462,001,856
I.	Cotton manufactures.....	.....	41,622,024
J.	Flax, hemp, jute, and manufactures of.....	22,127,145	804,445
K.	Wool and manufactures of wool. (No production statistics available for articles affected by changes of rates.)	.....	.....
L.	Silks and silk goods.....	7,947,568	106,742,646
M.	Pulp, papers, and books.....	67,628,055	81,486,466
N.	Sundries.....	1,719,428,069	101,656,598
Total.....		\$4,951,878,575	\$878,756,074

of increase on articles which were not luxuries of value in consumption of only \$272,000,000, as against \$5,000,000,000, representing the amount of articles entering into the consumption of the country, mostly necessities, upon which there has been a reduction of duties, and to which the 650 decreases applied.

Of the above increases the following are luxuries, being articles strictly of voluntary use:

Schedule A. Chemicals, including perfumeries, pomades, and like articles.....	\$ 11,105,820
Schedule H. Wines and liquors.....	462,001,856
Schedule L. Silks.....	106,742,646
Total.....	\$579,850,322

This leaves a balance of increases which are not on articles of luxury of \$298,905,752, as against decreases on about five billion dollars of consumption.

Now, this statement shows as con-

clusively as possible the fact that there was a substantial downward revision on articles entering into the general consumption of the country which can be termed necessities, for the proportion is \$5,000,000,000, representing the consumption of articles to which decreases applied, to less than \$300,000,000 of articles of necessity to which the increases applied.

#### *No Promise to Revise Everything Downward.*

Now, the promise of the Republican platform was not to revise everything downward, and in the speeches which have been taken as interpreting that platform, which I made in the campaign, I did not promise that everything should go downward. What I promised was, that there should be many decreases, and that in some few things increases would be found to be necessary; but that on the whole I conceived that the change of conditions would make the revision necessarily downward—and that, I contend, under the showing which I have made, has been the result of the Payne bill. I did not agree, nor did the Republican party agree, that we would reduce rates to such a point as to reduce prices by the introduction of foreign competition. That is what the Free-Traders desire. That is what the revenue Tariff reformers desire; but that is not what the Republican platform promised, and it is not what the Republican party wished to bring about. To repeat the statement with which I opened this speech, the proposition of the Republican party was to reduce rates so as to maintain a difference between the cost of production abroad and the cost of production here, insuring a reasonable profit to the manufacturer on all articles produced in this country; and the proposition to reduce rates and prevent their being excessive was to avoid the opportunity for monopoly and the suppression of competition, so that the excessive rates could be taken advantage of to force prices up.

#### *No General Rise in Duties On Cotton.*

Now, it is said that there was not a reduction in a number of the schedules where there should have been. It is said that there was no reduction

in the cotton schedule. There was not. The House and the Senate took evidence and found from cotton manufacturers and from other sources that the rates upon the lower class of cottons were such as to enable them to make a decent profit—but only a decent profit—and they were contented with it; but that the rates on the higher grades of cotton cloth, by reason of court decisions, had been reduced so that they were considerably below those of the cheaper grades of cotton cloth, and that by undervaluations and otherwise the whole cotton schedule had been made unjust and the various items were disproportionate in respect to the varying cloths. Hence, in the Senate a new system was introduced attempting to make the duties more specific rather than ad valorem, in order to prevent by judicial decision or otherwise a disproportionate and unequal operation of the schedule. Under this schedule it was contended that there had been a general rise of all the duties on cotton. This was vigorously denied by the experts of the Treasury Department. At last, the Senate in conference consented to a reduction amounting to about 10 per cent on all the lower grades of cotton, and this reduced the lower grades of cotton substantially to the same rates as before and increased the higher grades to what they ought to be under the Dingley law and what they were intended to be. Now, I am not going into the question of evidence as to whether the cotton duties were too high and whether the difference between the cost of production abroad and at home, allowing for a reasonable profit to the manufacturer here, is less than the duties which are imposed under the Payne bill. It was a question of evidence which Congress passed upon, after they heard the statements of cotton manufacturers and such other evidence as they could avail themselves of. I agree that the method of taking evidence and the determination was made in a general way, and that there ought to be other methods of obtaining evidence and reaching a conclusion more satisfactory.

#### *Crockery Rates Necessary.*

Criticism has also been made of the

crockery schedule and the failure to reduce that. The question whether it ought to have been reduced or not was a question of evidence which both committees of Congress took up, and both concluded that the present rates on crockery were such as were needed to maintain the business in this country. I had been informed that the crockery schedule was not high enough, and mentioned that in one of my campaign speeches as a schedule probably where there ought to be some increases. It turned out that the difficulty was rather in undervaluations than in the character of the schedule itself, and so it was not changed. It is entirely possible to collect evidence to attack almost any of the schedules, but one story is good until another is told, and I have heard no reason for sustaining the contention that the crockery schedule is unduly high. So with respect to numerous details—items of not great importance—in which, upon what they regarded as sufficient evidence, the committee advanced the rates in order to save a business which was likely to be destroyed.

#### *Tariff on Print Paper.*

I have never known a subject that will evoke so much contradictory evidence as the question of Tariff rates and the question of cost of production at home and abroad. Take the subject of paper. A committee was appointed by Congress a year before the Tariff sittings began, to determine what the difference was between the cost of production in Canada of print paper and the cost of production here, and they reported that they thought that a good bill would be one imposing \$2 a ton on paper, rather than \$6, the Dingley rate, provided that Canada could be induced to take off the export duties and remove the other obstacles to the importation of spruce wood in this country out of which wood pulp is made. An examination of the evidence satisfied Mr. Payne—I believe it satisfied some of the Republican dissenters—that \$2, unless some change was made in the Canadian restrictions upon the exports of wood to this country, was much too low, and that \$4 was only a fair measure of the difference between the cost of production here and in

Canada. In other words, the \$2 found by the special committee in the House was rather an invitation to Canada and the Canadian print-paper people to use their influence with their government to remove the wood restrictions by reducing the duty on print paper against Canadian print-paper mills. It was rather a suggestion of a diplomatic nature than a positive statement of the difference in actual cost of production under existing conditions between Canada and the United States.

#### *Changes as to Hides, Leather, Boots and Shoes.*

There are other subjects which I might take up. The Tariff on hides was taken off because it was thought that it was not necessary in view of the high price of cattle thus to protect the man who raised them, and that the duty imposed was likely to throw the control of the sale of hides into the hands of the meat packers in Chicago. In order to balance the reduction on hides, however, there was a great reduction in shoes, from 25 to 10 per cent; on sole leather, from 20 to 5 per cent; on harness, from 45 to 20 per cent. So there was a reduction in the duty on coal of 33 1-3 per cent.

All countervailing duties were removed from oil, naphtha, gasoline, and its refined products.

Lumber was reduced from \$2 to \$1.25; and these all on articles of prime necessity. It is said that there might have been more. But there were many business interests in the South, in Maine, along the border, and especially in the far Northwest, which insisted that it would give great advantage to Canadian lumber if the reduction were made more than 75 cents. Mr. Pinchot, the Chief Forester, thought that it would tend to make better lumber in this country if a duty were retained on it. The lumber interests thought that \$2 was none too much, but the reduction was made and the compromise effected. Personally I was in favor of free lumber, because I did not think that if the Tariff was taken off there would be much suffering among the lumber interests. But in the controversy the House and the Senate took a middle course, and who can say they were not justified?

### *The Wool Schedule.*

With respect to the wool schedule, I agree that it is too high and that it ought to have been reduced, and that it probably represents considerably more than the difference between the cost of production abroad and the cost of production here. The difficulty about the woolen schedule is that there were two contending factions early in the history of Republican Tariffs, to wit, woolgrowers and the woolen manufacturers, and that finally, many years ago, they settled on a basis by which wool in the grease should have 11 cents a pound, and by which allowance should be made for the shrinkage of the washed wool in the differential upon woolen manufactures. The percentage of duty was very heavy—quite beyond the difference in the cost of production, which was not then regarded as a necessary or proper limitation upon Protective duties.

When it came to the question of reducing the duty at this hearing in this Tariff bill on wool, Mr. Payne, in the house, and Mr. Aldrich, in the Senate, although both favored reduction in the schedule, found that in the Republican party the interests of the woolgrowers of the Far West and the interests of the woolen manufacturers in the East and in other States, reflected through their representatives in Congress, was sufficiently strong to defeat any attempt to change the woolen Tariff, and that had it been attempted it would have beaten the bill reported from either committee. I am sorry this is so, and I could wish that it had been otherwise. It is the one important defect in the present Payne Tariff bill and in the performance of the promise of the platform to reduce rates to a difference in the cost of production, with reasonable profit to the manufacturer. That it will increase the price of woolen cloth or clothes, I very much doubt. There have been increases by the natural increase in the price of wool the world over as an agricultural product, but this was not due to the Tariff, because the Tariff was not changed. The increase would therefore have taken place whether the Tariff would have been changed or not. The cost of woolen cloths behind the Tariff wall, through the effect of competition, has been

greatly less than the duty, if added to the price, would have made it.

### *Some Complaints.*

There is a complaint now by the woolen clothiers and by the carded woolen people of this woolen schedule. They have honored me by asking in circulars sent out by them that certain questions be put to me in respect to it, and asking why I did not veto the bill in view of the fact that the woolen schedule was not made in accord with the platform. I ought to say in respect to this point that all of them in previous Tariff bills were strictly in favor of maintaining the woolen schedule as it was. The carded woolen people are finding that carded wools are losing their sales because they are going out of style. People prefer worsteds. The clothing people who are doing so much circularizing were contented to let the woolen schedule remain as it was until very late in the Tariff discussion, long after the bill had passed the House, and, indeed, they did not grow very urgent until the bill had passed the Senate. This was because they found that the price of woolen cloth was going up, and so they desired to secure reduction in the Tariff which would enable them to get cheaper material. They themselves are Protected by a large duty, and I can not with deference to them ascribe their intense interest only to a deep sympathy with the ultimate consumers, so-called. But, as I have already said, I am quite willing to admit that allowing the woolen schedule to remain where it is, is not a compliance with the terms of the platform as I interpret it and as it is generally understood.

### *The Best Ever Passed.*

On the whole, however, I am bound to say that I think the Payne Tariff bill is the best Tariff bill that the Republican party ever passed; that in it the party has conceded the necessity for following the changed conditions and reducing Tariff rates accordingly. This is a substantial achievement in the direction of lower Tariffs and downward revision, and it ought to be accepted as such.

Critics of the bill utterly ignore the



very tremendous cuts that have been made in the iron schedule, which heretofore has been subject to criticism in all Tariff bills. From iron ore, which was cut 75 per cent, to all the other items as low as 20 per cent, with an average of something like 40 or 50 per cent, that schedule has been reduced so that the danger of increasing prices through a monopoly of the business is very much lessened, and that was the chief purpose of revising the Tariff downward under Republican Protective principles. The severe critics of the bill pass this reduction in the metal schedule with a sneer, and say that the cut did not hurt the iron interests of the country. Well, of course, it did not hurt them. It was not expected to hurt them. It was expected only to reduce excessive rates, so that business should still be conducted at a profit, and the very character of the criticism is an indication of the general injustice of the attitude of those who make it, in assuming that it was the promise of the Republican party to hurt the industries of the country by the reductions which they were to make in the Tariff, whereas it expressly indicated as plainly as possible in the platform that all of the industries were to be Protected against injury by foreign competition, and the promise only went to the reduction of excessive rates beyond what was necessary to Protect them.

#### *High Cost of Living Not Due to the Tariff.*

The high cost of living, of which 50 per cent is consumed in food, 25 per cent in clothing, and 25 per cent in rent and fuel, has not been produced by the Tariff, because the Tariff has remained the same while the increases have gone on. It is due to the change of conditions the world over. Living has increased everywhere in cost—in countries where there is Free-Trade and in countries where there is Protection—and that increase has been chiefly seen in the cost of food products. In other words, we have had to pay more for the products of the farmer, for meat, for grain, for everything that enters into food. Now, certainly no one will contend that Protection has increased the cost of food in this country, when the fact is that we have been the greatest exporters of

**food products in the world. It is only that the demand has increased beyond the supply, that farm lands have not been opened as rapidly as the population, and the demand has increased.**

I am not saying that the Tariff does not increase prices in clothing and in building and in other items that enter into the necessities of life, but what I wish to emphasize is that the recent increases in the cost of living in this country have not been due to the Tariff. We have a much higher standard of living in this country than they have abroad, and this has been made possible by higher income for the workingman, the farmer, and all classes. Higher wages have been made possible by the encouragement of diversified industries, built up and fostered by the Tariff.

#### *Will Not Destroy Industries.*

Now, the revision downward of the Tariff that I have favored will not, I hope, destroy the industries of the country. Certainly it is not intended to. All that it is intended to do, and that is what I wish to repeat, is to put the Tariff where it will Protect industries here from foreign competition, but will not enable those who will wish to monopolize to raise prices by taking advantage of excessive rates beyond the normal difference in the cost of production.

If the country desires Free-Trade, and the country desires a revenue Tariff and wishes the manufacturers all over the country to go out of business, and to have cheaper prices at the expense of the sacrifice of many of our manufacturing interests, then it ought to say so and ought to put the Democratic party in power if it thinks that party can be trusted to carry out any affirmative policy in favor of a revenue Tariff. Certainly in the discussions in the Senate there was no great manifestation on the part of our Democratic friends in favor of reducing rates on necessities. They voted to maintain the Tariff rates on everything that came from their particular sections. If we are to have Free-Trade, certainly it can not be had through the maintenance of Republican majorities in the Senate and House and a Republican administration.

### *Duty of a Member of Congress.*

And now the question arises, what was the duty of a Member of Congress who believed in a downward revision greater than that which has been accomplished, who thought that the wool schedules ought to be reduced, and that perhaps there were other respects in which the bill could be improved? Was it his duty because, in his judgment, it did not fully and completely comply with the promises of the party platform as he interpreted it, and indeed as I had interpreted it, to vote against the bill? I am here to justify those who answer this question in the negative. Mr. Tawney was a downward revisionist like myself. He is a low-Tariff man, and has been known to be such in Congress all the time he has been there. He is a prominent Republican, the head of the Appropriations Committee, and when a man votes as I think he ought to vote, and an opportunity such as this presents itself, I am glad to speak in behalf of what he did, not in defense of it, but in support of it.

This is a government by a majority of the people. It is a representative government. People select some 400 members to constitute the lower House and some 92 members to constitute the upper House through their legislatures, and the varying views of a majority of the voters in eighty or ninety millions of people are reduced to one resultant force to take affirmative steps in carrying on a government by a system of parties. Without parties popular government would be absolutely impossible. In a party, those who join it, if they would make it effective, must surrender their personal predilections on matters comparatively of less importance in order to accomplish the good which united action on the most important principles at issue secures.

### *Should Maintain Party Solidarity.*

Now, I am not here to criticise those Republican Members and Senators whose views on the subject of the Tariff were so strong and intense that they believed it their duty to vote against their party on the Tariff bill. It is a question for each man to settle for himself. The question is whether he shall help maintain the party soli-

darity for accomplishing its chief purposes, or whether the departure from principle in the bill as he regards it is so extreme that he must in conscience abandon the party. All I have to say is, in respect to Mr. Tawney's action, and in respect to my own in signing the bill, that I believed that the interests of the country, the interests of the party, required me to sacrifice the accomplishment of certain things in the revision of the Tariff which I had hoped for, in order to maintain party solidarity, which I believe to be much more important than the reduction of rates in one or two schedules of the Tariff. Had Mr. Tawney voted against the bill, and there had been others of the House sufficient in number to have defeated the bill, or if I had vetoed the bill because of the absence of a reduction of rates in the wool schedule, when there was a general downward revision, and a substantial one though not a complete one, we should have left the party in a condition of demoralization that would have prevented the accomplishment of purposes and a fulfillment of other promises which we had made just as solemnly as we had entered into that with respect to the Tariff. When I could say without hesitation that this is the best Tariff bill that the Republican party has ever passed, and therefore **the best Tariff bill that has been passed at all.**

I do not feel that I could have reconciled any other course to my conscience than that of signing the bill, and I think Mr. Tawney feels the same way. Of course if I had vetoed the bill I would have received the applause of many Republicans who may be called low-Tariff Republicans, and who think deeply on that subject, and of all the Democracy. Our friends the Democrats would have applauded, and then laughed in their sleeve at the condition in which the party would have been left; but, more than this, and waiving considerations of party, where would the country have been had the bill been vetoed, or been lost by a vote? It would have left the question of the revision of the Tariff open for further discussion during the next session. It would have suspended the settlement of all our business down to a known basis upon which prosperity could proceed and investments be made, and it would have held up the coming of

prosperity to this country certainly for a year and probably longer. These are the reasons why Mr. Tawney voted for the bill. These are the reasons why I signed it.

#### *Additional Reasons.*

But there are additional reasons why the bill ought not to have been beaten. It contained provisions of the utmost importance in the interest of this country in dealing with foreign countries and in the supplying of a deficit which under the Dingley bill seemed inevitable. There has been a disposition in some foreign countries taking advantage of greater elasticity in their systems of imposing Tariffs and of making regulations to exclude our products and exercise against us undue discrimination. Against these things we have been helpless, because it required an act of Congress to meet the difficulties. It is now proposed, by what is called the maximum and minimum clause, to enable the President to allow to come into operation a maximum or penalizing increase of duties over the normal or minimum duties whenever in his opinion the conduct of the foreign countries has been unduly discriminatory against the United States. It is hoped that very little use may be required of this clause, but its presence in the law and the power conferred upon the Executive, it is thought, will prevent in the future such undue discriminations. Certainly this is most important to our exporters of agricultural products and manufactures.

#### *"Useless to Talk of Another Revision of the Tariff."*

Now, I think it is utterly useless, as I think it would be greatly distressing to business, to talk of another revision of the Tariff during the present Congress. I should think that it would certainly take the rest of this administration to accumulate the data upon which a new and proper revision of the Tariff might be had. By that time the whole Republican party can express itself again in respect to the matter and bring to bear upon its Representatives in Congress that sort of public opinion which shall result in solid party action. I am glad to see

that a number of those who thought it their duty to vote against the bill insist that they are still Republicans and intend to carry on their battle in favor of lower duties and a lower revision within the lines of the party. That is their right and, in their view of things, is their duty.

It is vastly better that they should seek action of the party than that they should break off from it and seek to organize another party, which would probably not result in accomplishing anything more than merely defeating our party and inviting in the opposing party, which does not believe, or says that it does not believe, in Protection. I think that we ought to give the present bill a chance. After it has been operating for two or three years, we can tell much more accurately than we can to-day its effect upon the industries of the country and the necessity for any amendment in its provisions.

I have tried to state as strongly as I can, but not more strongly than I think the facts justify, the importance of not disturbing the business interests of this country by an attempt in this Congress or the next to make a new revision.

#### **In the Matter of Tariff Revision Has the Republican Party Kept Faith with the People?**

*Speech of President Taft at the Lincoln Anniversary Dinner of the Republican Club of the City of New York, February 12, 1910.*

*From the Congressional Record of February 14, 1910.*

Mr. President, Gentlemen of the Republican Club, and Fellow-Guests: The birthday of the man whose memory we celebrate to-night is an appropriate occasion for renewing our expressions of respect and affection for the Republican party, and our pledges to keep the part which it plays in the history of this country as high and as useful as it was during the administration of Abraham Lincoln. The trials which he had to undergo as President, the political storms which the party had to weather during the civil war, the divisions in the party itself between the radical antislavery

element and those who were most conservative in observing the constitutional limitations, are most interesting reading, and serve to dwarf and minimize the trials through which the Republican party is now passing, and restore a sense of proportion to those who allow themselves to be daunted and discouraged in the face of a loss of popular confidence thought to be indicated by the tone of the press.

In what respect has the Republican party failed in its conduct of the Government and the enactment of laws to perform its duty? It was returned to power a year ago last November by a very large majority after a campaign in which it made certain promises in its platform, and those promises it has either substantially complied with, or it is about to perform within the present session of Congress.

Let us take up these promises in order:

In the Republican platform of last year, upon which the campaign was made, appears

*The Following Plank in Regard to the Tariff.*

The Republican party declares unequivocally for the revision of the Tariff by a special session of Congress immediately following the inauguration of the next President, and commends the steps already taken to this end in the work assigned to the appropriate committees of Congress which are now investigating the operation and effect of existing schedules. In all Tariff legislation the true principle of Protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries. We favor the establishment of maximum and minimum rates to be administered by the President under limitations fixed in the law, the maximum to be available to meet discriminations by foreign countries against American goods entering their markets, and the minimum to represent the normal measure of Protection at home, the aim and purpose of the Republican policy being not only to preserve, without excessive duties, that security against foreign competition to which American manufacturers, farmers, and producers are entitled, but also to maintain the high standard of living of the wage-earners of this country, who are the most direct beneficiaries of the Protective system. Between the United States and the Philippines we believe in a free interchange of products, with such limitations as to sugar and tobacco as will afford adequate Protection to domestic interests.

We did revise the Tariff. It is im-

possible to revise the Tariff without awakening the active participation in the formation of the schedules of those producers whose business will be affected by a change. This is the inherent difficulty in the adoption or revision of a Tariff by our representative system.

*Nothing Was Expressly Said in the Platform that This Revision Was to Be a Downward Revision.*

The implication that it was to be generally downward, however, was fairly given by the fact that those who uphold a Protective-Tariff system defend it by the claim that after an industry has been established by shutting out foreign competition, the domestic competition will lead to the reduction in price so as to make the original high Tariff unnecessary.

In the new Tariff there were 654 decreases, 220 increases, and 1,150 items of the dutiable list unchanged, but this did not represent the fair proportion in most of the reductions and the increases, because the duties were decreased on those articles which had a consumption value of nearly \$5,000,000,000, while they were increased on those articles which had a consumption value of less than \$1,000,000,000. Of the increases the consumption value of those affected which are of luxuries, to wit, silks, wines, liquors, perfumeries, pomades, and like articles, amounted to nearly \$600,000,000; while the increases not on articles of luxury affected but about \$300,000,000, as against decreases on about \$5,000,000,000 of consumption. I repeat, therefore, that this was a downward revision. It was not downward with reference to silks or liquors or high-priced cottons in the nature of luxuries.

*It Was Downward in Respect to Nearly All Other Articles Except Woolens,*

which were not affected at all. Certainly it was not promised that the rates on luxuries should be reduced. The revenues were falling off, there was a deficit promised, and it was essential that the revenues should be increased. It was no violation of the promise to increase the revenues by increasing the tax on luxuries, pro-

vided there was downward revision on all other articles. The one substantial defect in compliance with the promise of the platform was the failure to reduce woolens. Does that defect so color the action of the Republican party as to make it a breach of faith leading to its condemnation? I do not think so. Parties are like men. Revisions are like the work of men—they are not perfect. The change which this Tariff effected was a marked change downward in the rate of the duties, and it was a recognition by the party that the time had come when instead of increasing duties they must be decreased, when the party recognized in its platform, and in much of what it did, that the proper measure of Protection was the difference in cost in the production of articles here and abroad, including a fair profit to the manufacturer. There was a dispute as to what the difference is, and whether it was recognized in the change of all the duties downward. Particularly was this the case on the materials that entered into the manufacture of paper and paper itself. The reduction on print paper was from \$6 to \$3.75, or about 37 per cent.

#### *Newspaper Misrepresentation Because of the Paper and Pulp Schedule.*

There was a real difference of opinion on the question of fact whether the new duty correctly measured the difference in the cost of production of print paper abroad and print paper here. It affected the counting-rooms of the newspapers of the country and invited the attention of the newspaper proprietors who had associated themselves together like other interests for the purpose of securing a reduction of the Tariff. The failure to make a larger reduction showed itself clearly in the editorial columns of a great number of the newspapers, whatever their party predilection. The amount of misrepresentation to which the Tariff bill in its effect as a downward revision bill was subjected has never been exceeded in this country, and it will doubtless take the actual operation of the Tariff bill for several years to show to the country exactly what the legislation and its effect are.

It is perhaps too early to institute

the fairest comparisons between the Payne-Aldrich bill and the bill which preceded it, but the Payne-Aldrich bill has been in operation now for six months and figures are at hand from which we may make a reasonable inference, first, as to whether it is a revision downward, and, second, as to its capacity for producing revenue; for it must be borne in mind that the passage of the law was demanded not only for the purpose of changing rates in their effect upon the industries of the country, but also for the purpose of increasing the revenues; and the success of the measure is to be judged by its results in both these respects.

#### *Marked Reductions in the Tariff Law of 1909.*

The Bureau of Statistics is authority for the statement that during the first six months of the operation of the Payne law, which has just ended, the average rate of duty paid on all imports was 21.09 per cent ad valorem. The average rate of duty paid on all imports for the same six months for the four preceding years under the Dingley law was 24.03. This would show that the reduction in the Payne law is 2.94 per cent of the value of the goods, or that the reduction below the previous Tariff rates is 12 per cent, showing a downward revision of this extent in those goods which are dutiable. But this is not all. Under the Payne law 51.6 per cent of the gross imports for the last six months have been entered free, while under the four years preceding for the same six months the free list amounted to 45.46 per cent of the total importations; so there was not only a reduction of duty on imports of about 12 per cent, but also an enlargement of about the same percentage of the free list.

#### *Large Increases of Customs Revenue.*

For the production of revenue the Payne law is even more an improvement on the Dingley bill. During the six months that the Payne Tariff was in force, from August 5 to the night of February 5, the customs receipts amounted to \$166,002,856.54. Under the Wilson-Gorman Tariff the semi-annual average was \$83,147,625.90. Under the Dingley Tariff the semi-annual

average was \$130,265,841.84. Under the Wilson Tariff the monthly average was \$13,857,937.65. Under the Dingley Tariff the monthly average was \$21,710,973.64; while under the Payne Tariff the monthly average has been \$27,667,142.75, or 100 per cent greater than the monthly average under the Wilson Tariff and 26 per cent greater than the monthly average under the Dingley Tariff.

Of course as the country increases in population the customs receipts increase, but even considering the population, the increase in the Tariff receipts has been marked. Under the Wilson Tariff the average annual customs receipts per capita were \$2.38; under the Dingley Tariff, \$3.23; while under the Payne Tariff they were \$3.71.

For the six months that the Payne Tariff has been in force the total receipts, both from customs and internal revenue, have been \$323,899,231.91, while the disbursements have been \$332,783,283.08, showing an excess of disbursements over receipts of about \$8,884,051.17, with no collection as yet from the corporation tax. For the corresponding period last year the expenditures exceeded the receipts by over \$40,000,000. This showing indicates that under the present customs law the deficit will be promptly wiped out, and that to meet our normal expenditures we shall have ample revenue.

I therefore venture to repeat the remark I have had occasion to make before, that

*The Present Customs Law Is the Best Customs Law that Has Ever Been Passed.*

And it is most significant in this that it indicates on the part of the Republican party the adoption of a policy to change from an increase in duties to a reduction of them, and to effect an increase of revenues at the same time.

The act has furnished to the Executive the power to apply the maximum and minimum clauses in order to prevent undue discrimination on the part of foreign countries, and this is securing additional concessions in respect to impositions on our foreign trade.

The act has done justice to the Philippine Islands by giving them Free-Trade with the United States.

More than all this, the new Tariff act has provided for the appointment of a Tariff board to secure impartial evidence upon which, when a revision of the Tariff seems wise, we shall have at hand the data from which can be determined with some degree of accuracy the difference between the cost of producing articles abroad and the cost of producing them in this country.

*Functions of the New Tariff Board.*

The great difficulty in the hearing and discussion of the present Tariff bill was the absence of satisfactory and credible evidence on either side of the issues as to low or high Tariffs. The importer on the one hand and the manufacturer on the other were present to give their fallible judgments affected by their own pecuniary interests as to the facts under investigation. Men who were struggling to find the truth were greatly perplexed by the conflicting testimony.

The Tariff bill authorizes the President to expend \$75,000 in employing persons to assist him in the administration of the maximum and minimum clause and to assist him and other officers of the Government in the administration of the Tariff law. I have construed this to mean that I may use the board appointed under this power not only to look into the foreign Tariffs, but also to examine the question with respect to each item in our Tariff bill, what the cost of production of the merchandise taxed is, and what its cost is abroad. This is not an easy task for impartial experts, and it requires a large force. I expect to apply to Congress this year for the sum of \$250,000 to organize a force through which this investigation may go on, and the results to be recorded for the use of the Executive and Congress when they desire to avail themselves of the record. In this way any subsequent revision may be carried on with the aid of data secured officially and without regard to its argumentative effect upon the question of raising or lowering duties.

Taken as a whole, therefore, I do not hesitate to repeat that the Repub-

hican party has substantially complied with its promise in respect to the Tariff, and that it has set itself strongly in the right direction toward lower Tariffs and furnished the means by which such lower Tariffs can be properly and safely fixed.

An investigation by the Tariff board of the sort proposed will certainly take a full two years or longer. Meantime the operation of the present Tariff promises to be consistent with the prosperity of the country and with the furnishing of sufficient funds with which to meet the very heavy but necessary expenditures of carrying on our great Government.

### *An Aftermath of Agitation.*

Mr. Roosevelt aroused the country and the people to the danger we were in of having all our politics and all our places of governmental authority controlled in corporate interests and to serve the greed of selfish but powerful men. During his two terms of office, by what almost may be compared to a religious crusade, he aroused the people to the point of protecting themselves and the public interest against the aggressions of corporate greed, and has left public opinion in an apt condition to bring about the reforms needed to clinch his policies and to make them permanent in the form of enacted law.

But as an inevitable aftermath of such agitation, we find a condition of hysteria on the part of certain individuals, and on the part of others a condition of hypocrisy manifesting itself in the blind denunciation of all wealth and in the impeachment of the motives of men of the highest character, and by demagogic appeals to the imagination of a people greatly aroused upon the subject of purity and honesty in the administration of government. The tendency is to resent attachment to party or party organization, and to an assertion of individual opinion and purpose at the expense of party discipline. The movement is toward factionalism and small groups, rather than toward large party organization, and the leaders of the party organization are subjected to the severest attacks and to the questioning of their motives without any adequate evidence to justify it.

I am far from saying that the Republican party is perfect. No party which has exercised such power as it has exercised for the last seventeen years could be expected to maintain either in its rank and file or in its management men of the purest and highest motives only. And I am the last one to advocate any halt in the prosecution and condemnation of Republicans, however prominent and powerful, whose conduct requires criminal or other prosecution and condemnation. It should be well understood that with the Republican party in its present condition, with its various divisions subjected to the cross fire of its own newspapers and its own factions, any halt or failure on the part of those in authority to punish and condemn corruption or corrupt methods will be properly visited upon the party itself, however many good men it contains.

### *The Tariff in Relation to Increased • Prices.*

We shall be called upon to respond to the charge in the next campaign that the Tariff, for which we are responsible, has raised prices. If the people listen to reasonable argument, it will be easy to demonstrate that high prices proceed from an entirely different cause, and that the present Tariff, being largely a revision downward, except with respect to silks and liquors, which are luxuries, can not be charged with having increased any prices. But this will not prevent our Democratic friends from arguing on the principle of post hoc propter hoc, that because high prices followed the Tariff, therefore they are the result of it. And we must not be blind to the weight of such an argument in an electoral campaign. The reason for the rise in the cost of necessities can easily be traced to the increase in our measure of values, the precious metal gold, and possibly in some cases to the combinations in restraint of trade. The question of the Tariff must be argued out. The prejudice created by the early attacks upon the bill and the gross misrepresentations of its character must be met by a careful presentation of the facts as to the contents of the bill and also as to its actual operation and statistics shown

thereby. I believe we have a strong case if we can only get it into the minds of the people. Should disaster follow us and the Republican majority in the House become a minority in the next House, it may be possible that in the Democratic exercise of its power, the people of this country will see which is the party of accomplishment, which is the party of arduous deeds done, and which is the party of words and irresponsible opposition.

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**"There is Only One Thing that Can Halt This Confident Move Forward to Give the Country Another Era of Prosperity Such as We Had from 1897 to 1907, and That Is Agitation for the Mere Purpose of Agitation, Without Any Well-conceived Healthy Purpose in View."**  
**---Speaker Cannon.**

*Speech of Hon. Joseph G. Cannon,  
 Speaker of the House of Representatives,  
 Delivered at Kansas City, Mo., November  
 26, 1909. Presented by Mr. Hale, Decem-  
 ber 7, 1909; Ordered to Lie on the  
 Table and to be Printed.*

I sometimes wonder also whether the great body of the people who now live in this newer West realize what a revolution has taken place in legislation by Congress in the last half century since the election of Lincoln, or even what has been done since McKinley's election as President and the enactment of the Dingley law only twelve years ago.

#### *The Dingley Law's Success.*

The Fifty-third Congress, which enacted the Wilson-Gorman Tariff law, appropriated \$917,000,000, and President Cleveland had to borrow \$265,000,000 to help out the revenues and meet the ordinary expenditures of the Federal Government. That Democratic Tariff law failed to produce the necessary revenue for even Democratic simplicity in administration.

President McKinley was heralded as the advance agent of prosperity, and the Fifty-fifth Congress that enacted the Dingley law twelve years ago was called upon to provide for the extraordinary expenditures of the war with Spain. It had to appropriate

nearly half a billion dollars to support our army and navy in that war, apply war taxes to meet a part of the expenditures and provide for the government of Porto Rico and the Philippines. It did so, and the Government also issued bonds, as it has always done for war expenditures; but the Dingley law proved to be the best revenue producer we have ever had, as the Wilson-Gorman law proved to be the poorest. The Dingley law, which was Protective, brought the total net ordinary revenues of the Federal Government from \$348,000,000 in the last year of the Democratic administration to \$405,000,000 in the first year of the Republican administration, and notwithstanding the repeal of the war taxes in 1901, cutting off the stamp taxes, and reducing the taxes on tobacco and beer, the total net ordinary revenues under the Dingley law in 1907 mounted up to \$663,000,000, or the greatest revenues ever brought into the Federal Treasury.

What was the cause? That law gave Protection, produced prosperity at home, expanded our foreign commerce, and enabled the Government to extend its operations to meet many of the aspirations of the people who clamored for internal improvements, expansion of the army, modernizing of the navy, protecting the forests, and developing the waste places in the arid region.

So the development has gone forward for twelve years, and the Republican Sixtieth Congress appropriated \$2,000,000,000 where the Democratic Fifty-third Congress appropriated less than \$1,000,000,000.

How did we spend it? Rebuilt the navy and reorganized the army at a cost of \$2,000,000,000; doubled the appropriations for the military and naval academies; diverted \$50,000,000 for the revenues for the reclamation of arid land; quadrupled the appropriations for the Department of Agriculture; doubled the appropriations for the diplomatic service; appropriated \$200,000,000 for the construction of the Panama Canal; more than doubled the appropriations for the Post-Office Department, with \$40,000,000 a year for rural free delivery, and reduced the national debt to less than it was before the election of McKinley and the war with Spain.



### *Necessity for Revenue.*

Singularly the critics who insisted that the Tariff should be further lowered are the same critics who are dissatisfied because we have not gone faster and farther and appropriated more money. Gentlemen, we can not eat our cake and have it. If we want to return to the Tariff of 1894, known as the "Wilson law," we must also return to the democratic simplicity of expending less than \$500,000,000 a year, or go bankrupt.

Since the enactment of the Dingley law in 1897 the estimates furnished by the executive departments have been greater than the appropriations by more than \$481,000,000. For the fiscal year 1909 the estimates were \$71,000,000 greater than the appropriations, and the Treasury deficit was more than \$60,000,000; and for the present fiscal year the estimates were \$59,000,000 greater than the appropriations, while there is still a deficit in the Treasury, or greater expenditures than we have revenues to meet.

I believe that the new Tariff law will protect our industries and produce the necessary revenue for carrying forward the great policies upon which the Government has entered.

### *The Payne Bill---Increases Revenues.*

The Monthly Summary of Commerce and Finance, issued by the Department of Commerce and Labor, shows that for the months of August, September, and October under the new Tariff law there was a substantial increase in all imports over the imports of the same months in 1908. The increase in imports amounted to \$73,000,000 over those for the same period in 1908 and \$21,000,000 over the same period in 1907, the greatest year under the Dingley law. Our exports for the same months increased over those for last year by \$41,000,000 and \$25,000,000 more than for the same period in 1907. This is an indication of what we may expect from the settlement of the Tariff question. Business that had halted has gone ahead with confidence, knowing just what are the regulations which the Government imposes upon importation.

### *Danger in Agitation.*

Now, gentlemen, there is only one

thing that can halt this confident move forward to give the country another era of prosperity such as we had from 1897 to 1907, and that is agitation for the mere purpose of agitation, without any well-conceived healthy purpose in view.

### *Insurgents Refuse to Accept Compromise.*

The Senators and Representatives who call themselves "insurgents" and who voted against the enactment of the Payne Bill, voted to increase or maintain the duties on the industries and products of their own States and sections. They were Protectionists for their own people, but they were opposed to Protection for other people in other sections.

Senator La Follette did not vote to increase the duties on lead and zinc, but he defended the Finance Committee's schedules on those products in speeches, saying they were not high enough, explaining, however, that he could not vote on the question because he said he had a personal pecuniary interest in the outcome.

### *President Taft v. Senator Cummins.*

Senator Cummins declares that the Payne law is a repudiation of the Chicago platform. President Taft, when he signed the bill, made a public statement in which he said:

There have been a great number of real decreases in rates and they constitute a sufficient amount to justify a statement that this bill is a substantial downward revision and a reduction of excessive rates.

In his Winona speech the President declared:

The Payne Tariff bill is the best Tariff bill the Republican party has ever passed.

Senator Cummins declares that the issue from now until the national convention in 1912 is, Shall the men now in control of party destinies be permitted further to disregard plain party platforms?

President Taft is the recognized leader of the Republican party and the great majority of Republicans are his followers. The President and the Republican majority in Congress cooperated in the legislation that has been written on the statute books. With whom did Senator Cummins cooperate? Let the record of the votes

on this legislation from beginning to end decide.

Mr. Bryan wants the war against the Republicans who enacted this legislation to go on; Senator Cummins also wants it to go on. When Lincoln found an army marching on the national capital from the South and a body of sympathizers in the North encouraging that army, he said it was difficult to determine which was the most threatening to the welfare of the nation. History repeats itself, and when Senators Cummins, La Follette, Bristow, and their so-called "progressive" following join hands with Mr. Bryan in making war upon the Republican Members of Congress who passed the Tariff bill and upon the President who signed it, in that contest I know of but one way to treat them, and that is to fight them just as we fight Mr. Bryan and his following.

#### *Protection in Spots.*

Senators La Follette and Bristow and the other so-called insurgents voted to increase the duty on barley and barley malt for the reason that their constituents produce barley. In other words, these gentlemen who call themselves "insurgents" voted with the Republicans on schedules that Protected the products of their constituents and with the Democrats on schedules that Protected the products of other sections of the country. That was their right, but when they voted with the Democrats against the final enactment of the bill they voted to maintain the old schedules of the Dingley law and were not supporting the pledge of the Republican platform or the pledges made by President Taft.

There was not one member of the Republican majority who secured in the bill as enacted all that he had contended for. President Taft, Senator Aldrich, and myself all accepted more compromises than the so-called "insurgents" were asked to accept. In Illinois we wanted free lumber, and my constituents wanted a duty on petroleum, because they have the greatest independent oil-producing district in the world. We were beaten, but we did not make our own interests the only interpretation of the Republican pledge to revise the tariff.

#### *Cummins Alone Can Read Himself Out of Party.*

Senator Cummins complains that I have read him out of the Republican party. Other sensitive gentlemen made the same complaint against President Taft. The Senator does me too much honor. I have not the authority to read any man out nor have I the disposition. I think I may say the same for the President. I have been a member of the Republican party since it was organized and I have never known of any man or group of men being read out of any party except by themselves.

There was a minority in the party opposed to President Lincoln's conduct of the war, some because he did not move fast enough and others because he went too fast. Some of these people took themselves out of the party and supported General McClellan against Lincoln in 1864. There were Republicans who were dissatisfied with President Grant's administration, and, not being able to control the party, they went out and supported Greeley in 1872.

In 1884 there was a minority that opposed the nomination of James G. Blaine, and after participating in the convention went out and supported Mr. Cleveland at the polls, aiding in his election. In 1896 there was another minority that opposed the adoption of the gold standard as a part of the Republican platform. They went out, organized the silver party, and then joined the Democrats in support of Mr. Bryan. In the same year there was a minority in the Democratic party opposed to Mr. Bryan's free-silver platform, and they supported McKinley, contributing to his election.

#### *Have a Right to Leave the Party.*

Those men who found themselves in the minority in their own party and too much committed to their ideas to accept the will of the majority, read themselves out of the parties to which they had formerly belonged. That was their right, and is the right of every man to-day. It is Senator Cummins's right and Senator La Follette's right; but manly men of all political views have in the past exercised that right openly and have not gone about in

garments of martyrdom because they were not allowed to control the majority. Those men in the past did not lose caste as citizens. They exercised an inalienable right to unite their efforts with any party that best represented their views. It is the kind of independence that wins respect and that counts in our political contests.

The Senator, I think, aptly recalled the story of the three tailors of Tooley street who met and prepared the preamble, "We, the people of England." That is a good illustration of the ego that often dominates the minority everywhere, in town meetings, state legislatures, Federal Congresses, in churches, and in every place where men must co-operate. The tailors of Tooley street are ever with us, and when they can not be "We the people" in action as well as in the preamble, they take it out in resolving and declaiming.

#### *An Example from History.*

There was one gigantic struggle in the Republican party which is memorable as the greatest convention of strong and manly men that has ever been known in this country. That was the national Republican convention of 1880, when the followers of the "silent soldier" of Appomattox and the admirers of the "plumed knight" from Maine were pitted against each other. After many days of balloting the followers of Blaine and other candidates opposed to Grant united on General Garfield, who then received the majority vote of the convention and became the candidate for President. The famous 306 went down with colors flying, but not to don sackcloth or sulk in their tents. Those men had the same fidelity to the principles that governed the party that the old guard of Grant—to which many of them had belonged—had in war, and they marched out of that convention to take up the Garfield banner and carry it to victory. Let me commend the history of that one political battle to the Senator.

#### *The Wolves Offer Protection.*

Mr. Clark knows Aesop's fables by heart and he has formulated much of his political philosophy on them. In one of these fables the wolves wanted

the sheep to discharge the dogs and employ the wolves to defend them. Mr. Clark's Committee on Rules would have given the same protection to the Tariff bill that the wolves would have given to the sheep. The Republican majority of the House, with a clear majority in support of the Tariff bill, would have been helpless in any effort to register its will, because any resolution for a special rule to bring the bill to a vote would have had to be referred to the Committee on Rules dominated by Champ Clark, leader of the minority and leader of the efforts to prevent the enactment of the bill.

To put it in another way, the nominal Republican majority in the House would have been destroyed, if all the minority had co-operated with the so-called "insurgent Republicans," and the very first pledge of the Republican national convention and the Republican President, Mr. Taft, would have failed as completely as though a Democratic House of Representatives had been elected instead of a House with a nominal Republican majority of 46.

#### *The First Insurgent.*

The rules will remain substantially as they have been and are so long as we have a Congress, and the majority party, whether Republican or Democratic, responsible to the people for legislation, will be their defenders. The opponents of the rules have always been the men who did not feel responsibility for the transaction of the business laid before Congress. Those who denounced them in the past have lived to defend them as the wheel turned and they came into responsibility.

Ever since history began the man in the minority has been seeking some device by which he could overcome the will of the majority, and we have a popular, if not absolutely reliable, record of one celebrated character antedating history whose fiat was, "Better to reign in hell than to serve in heaven." There was our first great insurgent, and he was pitched over the battlements of heaven. Since the creation of man there have been those at work on earth to encourage insurrection against order, which is heaven's first law.

### *Payne Tariff Law Will Justify Itself.*

A word in conclusion: The country waited from March until August for the enactment of a Tariff bill. During that period, on account of the uncertainty, it has been conservatively estimated that the loss due to the halting of business and production amounted to \$10,000,000 a day. Since the enactment of the new law production in our own country and imports from foreign countries have greatly increased, and day by day conditions are improving. The farmers, who comprise one-third of our population, are stepping high and some of them are riding in automobiles. In mine and factory as well as in transportation and commerce opportunities for employment are daily growing better. The revenues of the Government are constantly increasing. The Payne Tariff law is not perfect—perfection resides in Deity alone—but I agree most heartily with Representative Payne, of New York, and with the President of the United States in his Winona speech, that the new Tariff law is the best one ever passed under Republican leadership.

Neither Bryan, Cummins, La Follette, Bristow, or their followers claim that it can be changed during the coming four years, but they all agree in one thing, namely, that they will agitate—and they are agitating—for additional Tariff legislation, and as the car of prosperity, drawn by 90,000,000 people, moves on they are seeking to hinder its progress by criticism and denunciation, and this, too, within three months of its enactment.

The demagogue we have always with us, and, as ours is a government of the people, the only way to dispose of him is to move on. The proof of the pudding is the eating of it, and I am perfectly willing to trust the verdict of a prosperous and happy people in the elections in November, 1910, after the new Tariff law has been in operation for over a year.

### **Report of the House Committee on Ways and Means.**

*From the Congressional Record of March 22, 1909.*

Mr. PAYNE. With return of pros-

perity, which the committee believe will follow a settlement of the Tariff question, and with a continuation of the increase in revenue which has manifested itself during the present month, there is no doubt but that this bill will produce a largely increased revenue to that estimated above.

The committee therefore are abundantly justified in the belief that the bill will produce sufficient revenue after the year 1910, even if it does not during that fiscal year. Of course the latter is dependent upon the question of revival of business and trade.

The Treasury, however, is amply protected by the authorized issue of \$40,000,000 of the canal purchase bonds and the additional issue which can be made at any time to upward of forty millions in addition for excess of expenditures beyond the proceeds of the sale of bonds already made, and the appropriations for the year 1910.

The committee has, from time to time during the past two years, been obtaining information for a revision of the Tariff, to have it in readiness whenever such revision should be undertaken. During the past year, and especially since the resolution of May 16 last, the committee has had an additional force of clerks at work, mainly of experts in Tariff matters, detailed from the different departments by the order of the President, obtaining and properly tabulating the information that came to the committee. They also prepared blanks early in the summer, which were sent to all of our consuls and consular agents seeking detailed information as to the cost of labor, manufacture, etc., in the foreign countries. There has been a large number of responses to these inquiries, which have been properly filed and have been available for the use of the committee. This information has been particularly useful for comparison with the statements of wages paid abroad submitted in the public hearings before the committee, in some cases confirming the statements and in others contradicting the statements made before the committee.

The committee has also obtained valuable information through the Department of Commerce and Labor from special agents employed in that department who have reported from time to

time on the industries abroad, frequently furnishing very detailed and valuable information.

The committee opened up hearings at Washington on the 10th day of November, which continued daily until the 24th day of December, and everyone who desired an oral hearing up to that time was granted the privilege. Since then briefs have been invited and have been filed. This information has been printed for the use of the committee, and a carefully indexed edition will be distributed to the Members of the House, covering more than 8,000 printed pages, and a large portion of it replete with information bearing directly upon the questions involved.

So, whatever may be said about this committee and about this bill, the country never can say that this committee has not labored early and late from beginning to end to get all the information possible, and when they came to consider the bill paragraph by paragraph, to study that information in order to form a Tariff bill. [Applause on the Republican side.]

### *Maximum Tariff.*

In the first place we have provided a minimum and maximum Tariff. Our minimum Tariff is a Protective Tariff, built on the lines of our party platform and sometimes a little more than the party platform, because it is impossible to hold the scales evenly, even with all the information available to your committee on all these schedules; but it is the firm belief of your committee that if this first section, providing for a minimum Tariff, is put into effect and it becomes the universal Tariff law, as we believe it will, in the United States in their dealings with all foreign countries, no business will suffer from unfair and unequal competition from any foreign source, and every laborer in the United States will continue to receive good and fair compensation for the work which he performs. We believe it is a Protective Tariff.

Then we provide that any country which gives us as fair trade relations as they give to any other country, which makes no discrimination against us which they do not make against the most favored nation under their con-

ventions or Tariffs, shall receive this minimum Tariff provided for in sections 1 and 2. But if they do not, if they do not give us an equal chance in their markets with any other nation, we do not propose to allow them to come into our market at this minimum rate. Our market is the market of the world, for we are the greatest consumers, the greatest buyers of any nation on earth, consuming from one-third to one-half of the productions of the world over.

Some gentlemen have pretended to get nervous over that. I have seen some items in the newspapers that this was a trick on the part of the committee, that while we had reduced rates in the first section we had added 20 per cent of duty in some instances to the Dingley rate, and in some instances to the free section, and that that was the joker; that the maximum rate was the rate on which the nations of the earth were to enter our markets. Did they stop to think that that great country of our cousins—the English—give us, as they give every other nation of the earth, equal trade relations, and from the very moment that this bill becomes a law until it is finally repealed Great Britain will be entitled to come into this country with its products precisely at the minimum rates in sections 1 and 2?

Take her great rivals for our market, France and Germany; can they stand by and see Great Britain take up that trade and they do nothing? Will they enforce their maximum rate against us because we do not give them our minimum rate? Will they force our maximum rates on exports to this country and see Great Britain come in and take the trade of this market? Is there any man within the sound of my voice that supposes for a minute that France and Germany and the nations of the earth seeking our markets will not immediately avail themselves of the minimum rate which we offer in sections 1 and 2?

We give them an opportunity to make their rates with us or put themselves on an equality with Great Britain. Now, you may call it a club, you may call it reciprocal trade, you may call it holding out the olive branch of peace in trade by giving them the minimum rates if they deal fairly with

us, but whatever you call it it is absolutely certain that the great nations of the earth will take the advantage which we give them under sections 1 and 2 of this act to make their rates with us such as to get the rates prescribed in these sections.

### *Protection and Tin Plate.*

Now, Mr. Chairman, again I want to talk about tin plate. Of course the history of the tin-plate industry is known and read of all men. Twenty years ago we put a duty on this article that was Protective, and we transferred the industry from Wales to the United States, so far as the making of tin plate is concerned. There was a large cut in the duty in the Dingley bill, and after considering the evidence before the committee we have cut it again 20 per cent of the duty, reducing it from 1.5 to 1.2 cents per pound. This cut will not take away the tin-plate industry from the United States. If it would I never would have voted for it. And yet if we did take away the industry by lowering the duty still further, these gentlemen on the other side would be satisfied, because it would increase the revenue because of the large importation of tin plate that would follow. But the people of this country condemn any such idea as that; they are in favor of still continuing the manufacture for our people of the tin plate now used in the United States.

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### **The Tariff and Trusts.**

*From the Congressional Record of March 25, 1909.*

Mr. CRUMPACKER of Indiana. It is often charged that a Protective Tariff creates trusts. Trusts are combinations growing out of the passion of avarice, and they are created to stifle competition and increase profits. Under this definition they are all bad and violate a wise public policy. When a trust becomes good, it is no longer a trust. All combinations are not trusts. Trusts exist in Free-Trade countries as well as in countries that maintain Protective Tariffs.

### *Relation of Protection to Labor.*

The vital purpose of a Protective

Tariff is to increase opportunities for the employment of capital and labor in the development of the natural resources. The rate of wages and the standard of living in this country are higher than in any other country in the civilized world, and it is, and always has been, the policy of the Republican party to maintain conditions under which the great army of intelligent and independent wage-earners will be able to maintain a high standard of living, such as will enable them to provide well for themselves and their families, and, by industry and frugality, to lay by a fair competence against the exigencies of age. This policy is necessary to the permanent progress of our country. Every honest, industrious, frugal toiler in this land ought to be able to earn enough money to establish and own a home, rear a family with all of the advantages that American society affords in the way of comforts, education, and culture, and provide for all the reasonable requirements of life. The object of government is not merely to encourage the accumulation of wealth, but its prime purpose is to promote the building up of a strong, intelligent, self-reliant manhood and womanhood. [Applause.] Wealth is perhaps the greatest factor in promoting that end, but it is not the end. It is only a means. The leaders, industrial and political, for the next generation are being nurtured at this time, not in the palaces of luxury, but in the virtuous homes of the middle class and the wage-earners of the country, and it is of the greatest importance that the children in these homes shall be surrounded with conditions that will give them an opportunity to make the highest and the best development of the faculties with which they are endowed. The wages of labor, like all prices and values, tend to seek a common level. If there was no Protection to American labor, the level of wages in this country would inevitably gravitate to the level of wages in foreign countries. A Protective Tariff operates like a dam in a river. The water level above the dam is kept at a higher stage than the level below it, but take the dam away and the water will find a common level. The level below the dam will not rise to that above, but the level above will inevi-

tably recede to that below. If the Tariff policy that has been maintained in this country for so many years, and which has so greatly blessed and benefited American labor, should be abolished, the rate of wages and the standard of living in this country would become the same as in European countries. I am unalterably opposed to any policy that will tend to reduce the high standard of wages and living that now prevail in the United States.

### Pledge of Tariff Revision.

*From the Congressional Record of March 26, 1909.*

RALPH D. COLE, of Ohio. Mr. Chairman, we have heard much in the last few days concerning the rule under which we are to revise the Tariff. It is always best when we state our case to also state the law which applies to that case. Gentlemen on the other side insist that there is a provision in the Republican platform which declares in favor of revision downward. I have searched that instrument in vain for any such declaration. It is true that during the campaign utterances of that kind were made from the public platform and the stump, but if you will examine the document carefully, no such declaration is there made. I wish to read, for the enlightenment of the committee or the gentlemen on the opposite side, the rule under which the Republican party has undertaken to revise the Protective Tariff:

"In all Tariff legislation the true principle of Protection is best maintained by the imposition of such duties as will equal the difference between the cost of reduction at home and abroad, together with a reasonable profit to American industry."

Now, I want to call the attention of the committee to another fact. The gentleman from Missouri [Mr. Clark] declared yesterday upon the floor of this House that there was not a greater friend of the mule in America than he. I want him to understand that the mule, although the emblem of the Democratic party, is no friend of theirs. [Laughter.] In 1898, at the beginning of the Dingley law, the mules in the United States were worth \$92,000,000. This year they are worth \$211,000,000. The mules of the United

States, that should have remained steadfast in their party faith, violated every political obligation and increased fourfold in value during a Republican administration. [Applause on the Republican side.]

MR. RANDELL, of Texas. My judgment is that the consuming power of the Nation is dependent upon its producing power. A nation that does not produce, a man that does not produce, can not consume. There are between seven and eight million workmen in the United States and perhaps eight or ten million farmers. There are 30,000,000 American people to-day engaged in what is commonly known as "productive" enterprises.

Of course the clerk working on a salary in the office and Congressmen, perhaps, are consumers, might be listed among the consumers, and not producers, but let me tell you that the salary that the clerk gets in the office is measured and dependent upon the wages the workingman gets in the factory. When the consumers; so-called, of the United States deny a proper reward to the producer, they themselves will drag down their own interests. We all stand on a common level, and when you deny to the producer a proper compensation you are going to regulate the scale of salaries for the clerk and those commonly called "consumers" accordingly. I think that doctrine that has been preached in this country, that one class can stand alone, is wrong. We must all stand together or fall together, and the basis of our industrial structure, of our commercial and social life, is the wages paid to the American producer. If you destroy the producer you can not assist the consumer.

### Party Declarations On the Tariff.

*From the Congressional Record of March 27, 1909.*

JOSEPH W. FORDNEY, of Michigan. The American people at the last election were called on to make choice between two propositions for revising the existing Tariff law.

The Democratic party declared, in their platform, for an "immediate revision of the Tariff by the reduction of import duties."

The Republican party declared—  
 “unequivocally for the revision of the Tariff by a special session of Congress immediately following the inauguration of the next President.”

And it further declared that—

“In all Tariff legislation the true principle of Protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries, and the benefits that follow are best secured by the establishment of maximum and minimum rates, \* \* the minimum to represent the normal measure of Protection at home”—

And—

“the maximum to be available to meet discriminations by foreign countries against American goods entering their markets, the aim and purpose of the Republican policy being not only to preserve, without excessive duties, that security against foreign competition to which American manufacturers, farmers, and producers are entitled, but also to maintain the high standard of living of the wage-earners of this country, who are the most direct beneficiaries of the Protective system.”

The American people, by an overwhelming majority, decided in favor of the Republican plan for and manner of Tariff revision. Therefore, Mr. Chairman, the Republican platform is our chart and compass, and I for one shall be guided and governed by it absolutely. Indeed, I am frank to say that had I not been fully in accord with it and willing to subscribe to it without qualification I could not and would not have accepted a seat in this House at the hands of an electorate whose profession of political faith it embodies.

Mr. Chairman, the bill presented by the committee is not perfect—no Tariff ever was and, as human knowledge is limited and human judgment is fallible, I assume none ever will be—but, as I have before said, this bill, taking into consideration all the difficulties and perplexities surrounding the formation of a Tariff law covering 4,000 items, to be operative upon and touching the industries and daily life of 90,000,000 of people, and excepting the errors and omissions to which I have referred and which I hope will be corrected before final passage, I declare as my deliberate judgment that this bill will meet the requirements of present existing business conditions and the expectation of the American

people, and not only bring to this country a return of the prosperity which we enjoyed before the late panic, but a sufficient revenue to meet the expenses of the Government, thus justifying the confidence placed in the Republican party by the voters of the country. [Applause.]

### *Tariff On Lumber.*

Now, the great States of Iowa and Minnesota and the great prairie States of the country are here to-day complaining about the removal of the duty on hides. Gentlemen from those States, hides are the finished product of your farmers. I am frank to say that hides went on the free list against my earnest protest. [Applause.]

My friend, when you come and ask Protection on your finished product and Free-Trade on the things you wish to buy you are inconsistent. But that is human nature. I have a letter from a man in Moline, Ill., in which he said he was a manufacturer of farming implements, and especially plows, and he said he wanted the duty removed on lumber and removed from iron and steel and coal. But I say to you, my friend, that the products of the factory in the Middle West demand and must have the highest measure of Protection in order to pay decent wages to our laborers.

Great goodness! How long was that man's foresight? He could not see 1 inch beyond the end of his nose. He forgot the 800,000 men employed in the lumber camps of this country. [Applause.] He forgot the hundreds and thousands of men in the iron mines, the rolling mills, and the coal mines. He forgot all about the welfare of the miners hundreds of feet below the surface of the earth digging coal to get bread and butter for their wives and little children and who want some of the comforts. Ah, any man that will come and demand Free-Trade on his raw material, which is his neighbor's finished product, and Protection on his finished product is inconsistent.

In the revision of the Tariff, I want to say to you, there was a difference of opinion at times between the Republican Members as to how much reduction or whether any should be made in certain schedules. My friend from Missouri [Mr. Clark] did



me the honor to tell the absolute truth about me. I sweat blood every time they reduced a schedule. [Laughter.] Because, as Mr. Clark has said, if they had done me the honor to let me write this Tariff bill I would have made it almighty short, and in deference to him it would have been almighty sweet to American citizens. I would not permit any article that can be produced in this country to have the duty upon it made so low that it could be produced abroad and come into this country and be sold at a price that would bring starvation wages to the man who gives his brawn and brain to the making of it. [Applause on the Republican side.]

Now, I want to say this to you: I know of no interest in the United States that is producing an article for consumption on which I want to see the duty reduced to a point that the foreigner can come in and enjoy our markets and take them away from the laboring men, or deprive them of their right to produce that article in this country. Now, my friend Clark did

me simple justice yesterday in stating to the country that I was a stand-patter on the Tariff question.

My friend Clark is one of the best fellows that ever lived. He said to me one day, and I believed him and believe him now.

"Fordney, if Congress would permit you and me to make this Tariff bill, I believe we would make one that both sides of the House would vote for."

[Laughter.]

*Protection for the South.*

I believe I could have persuaded my friend to be a Protectionist if we had been accorded that great honor. But whether that is right or whether it is wrong, I want to say to the gentleman that the industries of the South are of great importance to the people of that country. Cotton is one of the greatest, amounting in volume to more than \$450,000,000. I would have been pleased to see the duty on imported cotton fabrics increased.

And those imported goods, to a very large extent, were made in Europe

The total importation of all manufactures of cotton last year, dutiable.....	\$73,059,548.93
Cotton and cotton waste, not dutiable.....	20,791,141.00
<b>Total .....</b>	<b>\$93,850,689.93</b>
Duty collected, \$38,999,267.30.	

from cotton raised in the United States, exported to Europe, there converted into the finished product by cheap labor—receiving, especially in Belgium, an average of the measly sum of 18 cents per day—and brought back to the United States, and after paying the rates of duty fixed by law on such imports, in some cases as high as 45 per cent ad valorem, and also paying transportation both ways, are sold upon our markets below the cost of production of the same fabrics manufactured in this country. It would have pleased me to see the duty on this class of goods materially increased.

I would also have been highly pleased to see a paragraph in this bill providing for a duty on long-staple cotton. It is a growing and important industry in the South, and needs Protection to capital and labor to guarantee success. One hundred million pounds were imported in 1907.

Fifteen years ago, and before the construction of cotton factories in the

South, cotton sold at 5 cents per pound, and at that time 10,000,000 bales of cotton brought not to exceed \$300,000,000. The producers of cotton at that time were not at all prosperous. On the other hand, they gave a great deal of labor for the money received, for their crop, and were poor.

Cotton factories were built in the South, and immediately there became competition for raw cotton between the mills of the South and of the North and in Europe; and while the price of cotton is now somewhere about 10 cents per pound, it brought 13 cents per pound less than two years ago. So that, for the same labor and outlay, the cotton raisers of the South are receiving \$600,000,000 for 10,000,000 bales of cotton, as compared with half that amount fifteen years ago.

*What Protection Has Done for Southern Industries.*

There are 10,500,000 spindles now op-

erated in the cotton mills of the South and over 15,000,000 in the North, yet the duty on imported cotton fabrics is not sufficiently high to bring about conditions to enable the manufacturing at home of all the cottons we use. The establishment of these factories has diverted from the farm a large number of employees, thus finding a place in the factories for the surplus labor on the farm. This labor so employed in the factory also consumed large quantities of other farm products, such as vegetables and meat, and creates a wider market for various farm products. The money paid to this labor goes to the South, which would not go there were it not for the cotton mills. Cotton is the predominating product of the South, and therefore should receive its fair share of Protection along with the products of other States. [Applause.]

Oh, gentlemen, such a condition should not exist; and I would like to see our Tariff laws so high that cotton goods of no foreign country could enter our markets and make the shirt that is worn on the back of the man in Mississippi producing the raw cotton. [Applause.] Such goods ought to be made by American labor.

Mr. BARTLETT, of Georgia. Is it not a fact that in this bill you have reported it reduces the Tariff on articles made in the South and raises the duties on articles made in the North?

Mr. FORDNEY. I do not think that is right. As before stated, long-staple cotton is a growing industry in the South. Last year there were 100,000,000 pounds of long-staple cotton imported into the United States, 78,000,000 pounds of which came from Egypt. I would like to see a duty on long-staple cotton of at least 5 or 8 cents per pound to help that industry in the South. I think it needs it, and it is my earnest wish that before this bill becomes a law there will be a duty of some kind on long-staple cotton.

The capital invested in manufacturing in the South has increased from \$1,153,000,000 in 1900 to more than \$2,100,000,000 in 1908; and the products of the factories of the South have increased from \$1,463,000,000 in 1900 to the magnificent sum of \$2,600,000,000 in 1908. The population of the South has increased from 23,500,000 in 1900 to 27,-

000,000 in 1908. In fact, the Southern States are to-day increasing rapidly in wealth:

The lumber cut in the South in 1900 was less than 14,000,000,000 feet, and in 1908 it was nearly 20,000,000,000 feet. Fifteen years ago the magnificent forests of the South were practically valueless, but the capital of the North, combined with that of the South, has opened up the lumbering industry of that country, and to-day it is one of the predominating industries.

The railway mileage of the South has increased from 52,600 miles in 1900 to 67,200 miles in 1908; and the true value of all property in the South has increased from about \$14,000,000,000 in 1900 to more than \$20,000,000,000 in 1908. It can not be denied that under our present Protective Tariff laws the South has advanced in wealth and commercial activity quite equal to the advancement in the North.

#### *Cuban Reciprocity.*

I think Cuban reciprocity was the most unfavorable trade agreement ever made between the United States and any other country in the world. Let me say briefly that I have taken the record of our exports and imports to and from Cuba for five years from the adoption of Cuban reciprocity, and here is the startling statement: The balance of trade against us for the five years prior to the adoption of Cuban reciprocity averaged \$15,652,000 per year. Under Cuban reciprocity, which some gentlemen have lauded to the skies, the balance of trade against us for five years has reached the enormous sum of \$43,781,000; and in addition thereto, in taking on an increased amount of imports from Cuba, the reduction of our revenues on goods coming from Cuba has amounted to more than \$60,000,000. I believe, my friends, that the sooner we repeal Cuban reciprocity the better for the people of the United States. [Applause.]

#### *Sugar from the Philippines.*

Now, one word and I will close. We are trying to do something for the Philippine Islands. Let me tell you what the Philippine Islands are doing for us. I will stand by the bill and the compromise on sugar, the free importation of 300,000 tons per year from the

Philippine Islands into the United States.

I am willing to stand by that, and the sugar men of the country whom I have consulted are also satisfied. For the last ten years there has been turmoil in this House over the duty on sugar. There never has been a session of Congress in the ten years that I have had the honor to be a Member of this House that the question of the reduction of the duty on sugar has not been advocated in some manner or other, and our present good President, Mr. Taft, has agreed in my presence that during his administration he will not permit, as far as he can avoid it by his action, any further reduction in the sugar schedule if we will accept this agreement and let the 300,000 tons to come in free from the Philippines. Last year the Philippine Islands exported \$60,000,000 worth of stuff, and fifteen millions, or 25 per cent, came to the United States. She imported \$30,000,000 worth of stuff, and she took the measly sum of \$5,000,000 worth from the United States. It is costing us, if I am correctly informed, \$14,000,000 per year to maintain peace in the islands, and if you will look up the record you will find that our pension rolls amount to \$23,000,000 annually for Spanish war soldiers. Great goodness! After doing all this for the Philippine Islands, she buys only one-sixth of her imports from us—the measly sum of \$5,000,000 of our products—and then comes back and asks us for more, and complains because we reserve the right to tax in excess of 300,000 tons of sugar and tobacco coming in here above the limited amount.

I say the Filipinos have nothing to complain of after what the Government of the United States has done for them. As the humorist of the House last year, Adam Bede, said in speaking of the Philippine Islands:

"So far as I am concerned, I would be glad to change them for Ireland and raise our own policemen."

[Laughter and applause.]

*Has There Been a Reasonable Development of the Beet-Sugar Industry in the United States Since the Passage of the Dingley Law?*

When the Dingley Tariff was passed in 1897 there were but six sugar fac-

ories in the United States, and the combined output was 37,500 long tons a year. There are now 65 beet-sugar factories in the United States, with a combined output in 1908 of 492,969 long tons (Willett & Gray's Statistical Trade Journal of January 7, 1909). These factories are scattered throughout 16 States, as follows: One in Arizona, 8 in California, 16 in Colorado, 4 in Idaho, 1 in Illinois, 1 in Iowa, 1 in Kansas, 16 in Michigan, 1 in Minnesota, 1 in Montana, 1 in Nebraska, 1 in New York, 1 in Ohio, 1 in Oregon, 5 in Utah, 1 in Washington, and 4 in Wisconsin. The increase in the production of beet sugar since the passage of the Dingley law has been over 1,300 per cent.

The fixed investment of the beet-sugar business has reached a total of nearly \$100,000,000, and the American farmers and laborers received in 1908 over \$40,000,000 from the factories. The production of sugar from cane grown in the Southern States in 1908 was 390,888 tons (Willett & Gray's Statistical Trade Journal of January 7, 1909). The total consumption of domestic sugar in the United States in 1908 was nearly 900,000 tons.

#### *Intent and Principle of Protection.*

Cheap cost of living and cheap men can never be made the basis of economic progress. Cheap production means cheap labor; cheap labor means low prices; low prices means disaster to American industry. There never has been, and there never will be, a time when labor received starvation wages that the American people were or will be prosperous. The business prosperity of this or any other country depends, to a very great measure, upon the purchasing power of the masses of the people, and what is true of one industry is also true of another industry. When high prices for farm and manufactured products and American labor prevail, prosperity also prevails.

A man at work is certainly the most valuable asset of a nation. Idle men, consuming and not producing, burn the candle at both ends, and are worse than worthless. Individuals can not make conditions under which our industries may be successfully conducted. Lawmakers must create the conditions. The duty of the lawmaker is to shelter

industries from disastrous competition from outsiders, and to encourage and stimulate present and build up new industries. A Protective Tariff is in the nature of a wall around our garden to protect the worker and his product from foreign intrusion.

The intent and principle of a Protective Tariff law is none other than to foster capital and labor at home. American markets are the best markets in the world for American products, and great care should be taken in the enactment of laws to protect American industry from foreign competitive products. Domestic industries are none too prosperous to-day, and any revision of our Tariff laws that would encourage greater foreign imports would be the most unwise act possible for Congress to perform.

It is my belief that the strongest demand for a revision downward of our Tariff schedules comes from men of selfish motives, or men not thoroughly informed as to the true situation as to the inactivity in some lines of industry, largely caused by too much gossip about Tariff revision.

An equitably arranged Tariff means no willfully idle men. On the other hand, it means stability to both capital and labor, and is our greatest safeguard to Americans against ruinous foreign competition.

### The Tariff Question in its Relation to Political Parties.

*From the Congressional Record of March 27, 1909.*

NICHOLAS LONGWORTH, of Ohio. This bill, Mr. Chairman, is the practical fulfillment of the pledge made eight months ago by the Republican party in convention assembled at Chicago. We are here to deliver the goods. The Republican party have been in control of the Government of this Nation almost continuously since the Civil War, and it is because they played square with the people. This practically continuous control of government affairs can be well illustrated by a story we have sometimes heard of the school teacher who had a class of fifty boys, whom she was instructing in the rudiments of American history. She told them that every little boy born in this country had

some day a chance to be President of the United States; and at the conclusion of her remarks she asked every boy who thought that he might some day be President to hold up his right hand. Forty-nine hands went up. To the lone boy that had made no sign she said: "Johnnie, don't you think you will ever be President of the United States?" and he said, "No, ma'am; I can't. I am a Democrat." [Laughter.]

In a speech delivered last December, after the election, at the Ohio Society, in New York, the President spoke as follows about the Tariff:

"Now, the most important plank, or at least the most pressing plank, is that declaring for a revision of the Tariff at an extra session to be called as early as possible after the 4th of March. That plank fixed the standard by which that revision shall be governed. It declares that the Tariff shall be revised on principles of Protection, and then the principle of Protection is defined by stating that the Tariff rates are measured by the difference between the cost of production abroad and the cost of production here, embracing a reasonable profit to the manufacturer. Now, what that means, as I understand it, is that the cost of production in both places includes a reasonable profit or interest on capital; that is, you include in the cost abroad at least the cost of raw material, the cost of labor, interest on capital, or the profit usual in the foreign country; and so on this side you include the cost of material, the price of labor, and also the profit usually earned in this country by manufacturers. The difference between the cost abroad and that at home is the proper duty. It means that the Congress shall make every effort to determine the difference thus constituted and then fix the Tariff accordingly."

Mr. CLARK, of Missouri. Does not the gentleman think that the declaration of the Republican platform wanting the cost of labor equalized and also a reasonable profit would turn Congress into an insurance company for manufacturers and leave the rest of the people to take care of themselves?

#### *How to Determine Cost of Production.*

Mr. LONGWORTH. I have never thought that that meant in any sense a proposition to insure, as the gentleman has stated. I do not see how you can determine the cost of producing any article except on the basis on which it is manufactured. No man is going into any business or can stay in any business in which he can sell his

article only at the mill cost of production. I understand that basis is the one adopted by this committee—in determining or trying to arrive at the cost of production to include a reasonable profit in estimating that cost—and I am perfectly willing to say that by so much, perhaps, as the wages of the American labor exceed the wages of any other country, just so much are our manufacturers at home entitled to profits at least as great or greater than their competitors abroad.

The Democratic party also promised a speedy revision of the Tariff, but that party laid down only one rule. It mentioned specifically only wood pulp, print paper, lumber, timber, and logs, and made the general declaration that all articles entering into competition with trust-controlled products should be placed upon the free list.

The Republican party always has and always will favor Protection, but we do not favor rates so high as to shelter monopolies and amount in effect to prohibition. That is my construction of the Republican platform.

#### *Not a High Ad Valorem Bill.*

Mr. LONGWORTH. Mr. Chairman, to show the utterly flimsy basis of the statement that this is a high ad valorem bill, I might merely call attention to the fact that the ad valorem rate of Great Britain is 77.11 per cent, and the per capita from customs in Great Britain in 1905 was 4 per cent and with us in this country about 3. Now, to take a concrete example, the sugar schedule, according to this report, is advanced on the ad valorem from 61.13 per cent to 61.39, and yet the only two things we did in the sugar schedule were, in the first place, to reduce the differential on sugar, and, in the second place, to admit Philippine sugar free; and the ad valorem shows an increase, because we put on the free list those articles which formerly came in and were considered dutiable.

#### **Tariff On Coal.**

*From the Congressional Record of March 27, 1909.*

BENJAMIN K. FOCHT, of Pennsylvania. Mr. Chairman, a great philosopher and publicist, and former Speaker

of this House, Thomas B. Reed, in discussing the Tariff, once declared that he cared not for pedantic maxims, nor for theory, nor for how the proposition might sound, or how it would look; what he wanted to know was, How does it work?

Now, Mr. Chairman, I believe the Tariff enactments by the Republican party have all worked out well. I propose to vote for this measure, as presented by the Committee on Ways and Means, but Mr. Chairman, I wish to call attention to one paragraph in that bill to which I am obliged to raise objection.

It is proposed to take the duty from hides for the reason that we do not produce enough to supply the consumers. I also find that it is proposed to take the Tariff from bituminous coal, when it is known to every Member of this House that we produce bituminous coal in nearly every State in the Union. The propositions seem to be absolutely contradictory, and inasmuch as that will impose disaster, if not complete ruin, on the operators of my district, if I have no other opportunity than this, I desire to enter my protest against taking the Tariff from bituminous coal.

In attempting the important task of revising the Tariff, an undertaking the effects of which will be so far-reaching that the keenest prophet will hardly venture to be too precise in his predictions, it will be the part of wisdom not to lose sight of the landmarks that indicate the economic progress of the United States ever since the beneficent policy of Protection has blessed both the manufacturer and the workingman. By virtue of the operations of the Protective Tariff, we have attained a degree of national opulence never dreamed of fifty years ago. Before that time we were almost wholly an agricultural people. To-day we are a nation of manufacturers than whom the world knows no greater. The product of our factories in the aggregate is the marvel of the world.

Under the Republican policy of Protection the wealth of the country has increased nearly sixfold; its foreign trade, threefold; the value of manufactured products, nearly sevenfold; wages in manufacturing establishments, nearly sixfold; the number of wage-earners more than three-fold; and our

mileage of railroads more than six-fold. When the Republican party came into power our wealth per capita was about one-third of what it is now. Then the balance of trade against us was something like \$20,000,000 a year. For the year 1908, our imports were \$1,116,449,681, and our exports, \$1,728,668,188, a balance in our favor of \$612,218,507.

### *Hold On to a Good Thing.*

While, of course, a reversal of such a policy would be almost national suicide, and does not enter the imagination of any one save the most hare-brained Free-Trader, even a serious modification of it would spell ruin to a number of important domestic industries. I do not hesitate, Mr. Chairman, to admit that I am fixed in my belief that there can not be put into successful operation Free-Trade between the nations of the earth until labor and other conditions are equalized. Far better wait for the elevation of the European standard than lower our own. I believe when you have a good thing you ought to keep it. All this talk about it being necessary to reduce our Tariff rates in order to enable us to acquire new markets for our manufactured products is, in my opinion, the merest moonshine. Other nations who have become converted to the doctrine of Protection do not seem to be impressed with that sort of argument. Germany has a stiff Protective Tariff, and yet she is giving Free-Trade Great Britain, with all the latter's commercial prestige, the closest rub in the competition for foreign trade which that nation has ever experienced. France is not moved by any altruistic folderol when she raises her Tariff rates in such manner as to discriminate almost viciously against the products of the United States. Bismarck, the greatest statesman Europe has known in the last half century—not excepting even Theodore Roosevelt—and who was most accomplished in the game of international politics, used to say that dealing with the Tariff was a game in which the other fellow is duped. Well, Mr. Chairman, if that is true, then let us see that we are not "the other fellow."

It was due to Bismarck that Germany adopted the Protective Tariff

policy, and to it she owes her present commanding position in the world of commerce. England has been a Free-Trade nation ever since Cobden formulated her commercial policy. She was forced to be such, because she needed the raw material of the world for her great diversified manufacturing industries, and was willing to become the dumping ground for the surplus of the world's fields so as to give her manufacturers their material as cheaply as possible. But of late a new light is shining even there. A constantly increasing number of British economists are of the opinion that the time is rapidly approaching when Free-Trade must make way for Protection, and when that time comes, Mr. Chairman, we may be sure that "John Bull" will look out for number one, as he always does.

### *What the Dingley Tariff Has Done.*

The Republican party by its latest national platform and through the utterances of the distinguished citizen who now sits in the Presidential chair, is committed to a revision of the Tariff. It ought to make good its pledge. It ought to and will revise the schedules of the Dingley Tariff, under the operations of which the capital invested in manufacturing industries, the number of wage-earners, and the aggregate of wages paid have increased by hundreds of millions. They say that the steel and iron business is a pretty good barometer, so far as the prosperity of the country is concerned, and I guess that comes very near to being the truth. Well, then, Mr. Speaker, the Dingley Tariff went into effect actually in 1898. In that year our exports of manufactures of iron and steel, according to the Statistical Abstract of the United States, were \$70,406,885; in 1907—ten years later—they were, so the Monthly Summary of Commerce and Finance of the United States informs us, \$197,066,781, an increase of nearly 300 per cent. Not so bad for a Tariff created in accordance with a policy which, its adversaries claim, makes foreign markets inaccessible.

It is of interest to give a few figures showing how the Tariff of 1897—the Dingley Tariff—has operated in regard to wage-earners. Again I take the year 1898 as the year in which the

Dingley Tariff actually went into effect. The following table shows the increases for each year until and including 1906, as given in the Statistical Abstract for 1907:

We see from this that since the Dingley Tariff took effect the number of wage-earners has steadily grown; their relative hours of labor have greatly diminished, and yet their earnings as

*How the Tariff Has Operated in Regard to Wage Earners.*

Year.	Em- ployees.	Hours per week.	Wages per hour.	Full time week's earnings per em- ployee.
1898.....	106.4	99.7	100.2	99.9
1899.....	112.1	99.2	102	101.2
1900.....	115.6	98.7	105.5	104.1
1901.....	119.1	98.1	108	105.9
1902.....	123.6	97.3	112.2	109.2
1903.....	126.5	96.6	116.3	112.3
1904.....	125.7	95.9	117	112.2
1905.....	133.6	95.9	118.9	114
1906.....	142.9	95.4	124.2	118.5

steadily and considerably increased. This increase in the number of wage-earners is directly traceable to the operations of the Protective Tariff, which has been the cause of the investment in this country of hundreds of millions of foreign capital, which, under a policy of Free-Trade, would have been invested elsewhere. Many foreign manufacturers shut out of our market or heavily handicapped by the heavy duties imposed by our Tariff, but attracted by the business our home market offers, have established plants here, or invested their money in stock in plants already existing, thereby enlarging their capacity.

*The Workingman's Opportunity.*

No statistics are available to show just how much of such foreign capital has been brought here, but it is safe to say that hundreds of millions of dollars have in this manner found their way to our shores. The foreign capitalists would undoubtedly have preferred to keep their capital at home if they could have reached our home market in another way. But the Protective policy compelled the investments, and thus American labor was given the opportunity to make many products that foreign labor would have made but for the Tariff. There is comfort in the contemplation of the fact that even if the cost of living on this side of the water is somewhat greater than it is in England or France or Germany, yet the earnings of the

American workingman are so much better that he can afford to maintain a very much higher standard of living. Again, it is the Tariff that has made wages higher and placed the American workingman where he is envied by all his fellow-workers the world over.

Look at our immigration. In 1898 there came to our shores 229,299. Year by year the number grew until in 1907 there came a host of 1,285,349. What does this prove, Mr. Chairman? Why, that the opportunity to earn a livelihood was here; that the demand for workingmen was steadily growing, and that the wages paid here were alluring. People do not go to places where there is no work for them, and again, it is the Protective Tariff that gave birth to, or made it possible, to enlarge the industries in which all these millions found ready employment. Some of these immigrants do not make desirable citizens, but they would not come if it were not for the inducement of better conditions. This is the house that "Jack Tariff" built, and which he filled full of everything that man needs for the comforts of life.

Our Tariff does nothing more than "equal the difference of the cost of production at home and abroad." It Protects the American manufacturer against the importation of articles made by the poorly paid labor of Europe and the Far East, and it Protects the American workingman against having to come down to the level of

that poorly paid labor. It insures that reasonable profit to American industries; only that and nothing more. It behooves us, therefore, in taking upon ourselves the revision of the Tariff schedules, to be careful not to disturb the balance in the one scale of which is the welfare of the American manufacturer, and in the other the welfare of the American workingman.

But, as there is nothing perfect that is made of human hands, so this Tariff, which is to be the fruit of this extraordinary session, will lack perfection. Recognizing the fallibility of our judgment, it behooves us to be all the more careful as to possible mistakes, and so to guide our final decisions that no injury shall be done to any of the industries which by virtue of the Protective Tariff have reached their present degree of prosperity and have unmeasurably benefited the American workingman.

#### *Free-Trade in Disguise.*

There is a school of political economists, Mr. Speaker, whose contention is that the reduction of Tariff duties would bring more revenue to the Government by increasing the volume of imports. Let us see how this would work. We imported in 1907 in dutiable goods \$773,448,834; our duty-free imports amounted to \$641,953,451. Of the total imports of \$1,415,402,285 (see Statistical Abstract for 1907), therefore, 45.35 per cent came in free of duty. Our average ad valorem duty on dutiable articles was 42.55 per cent. Cut this in half and we would have to import \$1,546,897,668 in order to bring into the Treasury the same amount of revenue derived from present Tariff rates. Or, to put it another way, with a Tariff only half as high as the present, instead of importing \$1,415,402,285, we would have to import \$2,830,804,570 to raise the same revenue, and would have to deprive American capital and American labor of their legitimate activity to just that extent. No, Mr. Chairman, this deceptive argument of your Tariff-for-revenue-only economist, charm he ever so wisely, falls upon deaf ears as far as I am concerned. It is Free-Trade in disguise, and that flower by another name smells just as bad.

#### *Reduction in the Iron and Steel Schedule.*

We have heard a good deal, Mr. Chairman, in the course of the recent Tariff hearings about Mr. Carnegie's statement before the Ways and Means Committee, to the effect that there is no further need for import duties on steel and iron. Mr. Carnegie is no longer in the iron business. He has made his pile and sits snug and warm, and the marvelous income which he derives from the underlying bonds, not of the United States Steel Corporation, but of the properties which he sold to that concern, enables him to scatter far and wide throughout this blessed country libraries, large and small, for the benefit of its people. That is all right; and yet, Mr. Chairman, this opinion of the Laird of Skibo reminds me much of the story of that wealthy lady who, coming in from the street on a raw, cold, winter day, called her butler and directed him to send a ton of coal to a certain poor family. She sat down by the cozy open grate fire, had a dainty luncheon, and felt warm and comfortable. Her butler entered and asked for the address of the poor family, when the lady said:

"You need not mind sending the coal now, Jeffries; the weather has moderated a good deal."

I truly believe that the weather has moderated considerably for Mr. Andrew Carnegie.

There may be a schedule here and there, Mr. Chairman, a slight reduction of which may not work irremediable injury to the industries affected by it. It may be that our supply of iron ore is so abundant that it will more than supply the demand at home and from abroad. It may be that our iron and steel manufacturers have attained such a degree of skill in the production of their wares that they can hold their own against all foreign competition, even if the duty on such imports should be reduced.

#### *Cannot Prosper Without Protection.*

I shall not be so presumptuous as to constitute myself their mouthpiece. They are fully competent to state their own case and state it much more effectively than I can possibly make it. I shall simply point to the testimony of Mr. Gary, the president of the United States Steel Corporation, and oth-



ers now actively engaged in the iron and steel manufacturing business, and put their contention that the industry can not prosper without the Protection of the Tariff against Mr. Carnegie's opinion to the contrary. But this particular instance will serve quite acceptably as an illustration of how great minds do not always run in the same channels, and how doctors may differ, especially when one of them has gone out of practice and the others are still in it.

### The Fallacy of Free-Trade Theories Demonstrated in Actual Practice.

*From the Congressional Record of March 29, 1909.*

J. WARREN KEIFER, of Ohio. I shall waste little time in answering the long since exploded academic Free-Trade theories still reiterated here. Their fallacy was demonstrated in actual practice by the operation of the Wilson Free-Trade Tariff of 1894, which produced unparalleled distress in this country, and by the operation of the present Protective Tariff, which restored universal prosperity to this country.

I think the Ways and Means Committee of this House and the country are to be congratulated upon the general fairness of the bill reported and the evident desire of the committee to maintain the principle of Protection to American labor and American industries. I say this much in justice to the committee, although there may be parts of the bill which I think should be amended.

The task devolving on a Republican Congress of revising the Dingley Tariff act of 1897, a Republican measure, is a vastly more difficult and delicate task than a revision of any former Tariff act. This because, for the first time, a party of Protection is called on to revise a Protective Tariff act exclusively of its own creation.

The financial panic of 1907 bore no relation to the Tariff, and but for the Tariff its evil effects would have been more calamitous and far-reaching than they were. Bad business methods brought it about, and a return to honest methods soon stopped its disastrous progress. We have learned some wholesome lessons from it. The large

business corporations, such as controlled the railroads and the larger operations of the country, were the first and principal sufferers from the panic. These same corporations are here denounced as monopolies and in the same breath their condition pointed to as evidence of the hard times supposed to still exist.

### *The Remedy Certainly Will Not Come from Free-Trade.*

It is, however, somewhat misleading to point out that railways have large numbers of idle cars on sidetracks and that there are now large numbers of unemployed men. If through short crops and want of business confidence cars are not in use and men are unemployed, a Protective Tariff is not to be blamed for it. The remedy certainly will not come from Free-Trade; that is, by turning our laborers out of mills and shops at home and by buying our supplies of manufactured articles from other countries, and by compelling our farm people to sell their grain and food animals to pauper-paid laborers in distant parts of the world.

It is highly important that the probably now 30,000,000 of our agricultural people should have their interests carefully Protected in any Tariff legislation, for on our food supply depends largely the success of all other pursuits. The farmer has the least representation here and before our committees, and his interests are the most likely to be neglected. All other general or special interests seem to be represented by agents, attorneys or lobbyists. The sheep or wool interests seem to be the only ones concerned in agriculture who are represented here.

### *Monopolies and Trusts.*

The claim that monopolies and trusts have also prospered during the existence of the Dingley Tariff and that particular individuals have amassed a disproportionate share of wealth and power is more apparent than real, and the Dingley Tariff is not responsible for them. The number of these is comparatively small when the whole number of our inhabitants engaged in business are taken into account. The common people never before enjoyed so much general prosperity as in the last ten years, and never before, in this or

any other country, toiled so few hours per day and yet possessed so much of the Nation's wealth and so many homes. All parties profess to favor legislation that will secure universal prosperity. This can not be brought about without some of the more enterprising acquiring large fortunes. Poverty of the masses of our people is not the panacea for inordinate individual wealth, as our Democratic friends seem to think.

If trusts and monopolies were necessarily incident to our Nation's prosperity, then general poverty and distress would seem to be the only way to get rid of them. But, happily, they are not necessarily the offspring of prosperity, nor is poverty the true remedy for them. Trusts and monopolies, whenever found to be an evil, should be separately dealt with by proper legislation.

#### *What Would be the Condition of the Unemployed?*

When conditions, from any cause, become unfavorable throughout the whole country, it naturally seems that more people are thrown out of work at such a center than elsewhere, though, relatively, this is not the case. It is only where large numbers are brought together that unfavorable conditions are clearly observed. And what would the condition of unemployed people be if they were located where no manufacturing or producing enterprises existed? What would or could they do if mining or manufacturing were not conducted anywhere? What would be the effect on these people if they could only be employed as farm hands or as agriculturists? If so employed, where would the market be for their surplus farm products, if they had any? If they were not able to get work at all on farms, then where?

But the real cause of trouble never arises in the great active business centers, but always in consequence of a general business depression and a failure of confidence in the future, or for some other controlling cause over which the producers at such centers have no control and which are not connected with or dependent on any American Tariff law. The trouble, if trouble comes, is always with the consumers of a particular product rather

than with its producer; not on account of any Protective duty on any special thing. And the general result is that as soon as confidence is restored business revives, and those who were in enforced idleness are given work, and usually at the same wages formerly paid them. Wages do not in such cases go, or have not usually gone, down for men employed in the principal industries.

#### *Free-Trade the Mother of Idleness.*

Free-Trade which prevents the establishing of important industries at great centers, or generally anywhere, is the only remedy proposed to prevent idleness. It is the mother of idleness. That is, to prevent natural laborers, in exceptional times, from the danger of becoming temporarily unemployed, the Free-Trader would so legislate as to prevent his being employed at good wages at all; or if employed in a prosperous business, the Free-Trader would destroy it, to make certain that by no possibility could they obtain employment at all where their genius, skill, and industry would be properly rewarded.

The annual values, stated in round numbers, of products of all kinds in the United States are:

Farm products.....	\$ 7,500,000,000
Mineral products.....	2,000,000,000
Forest and fish products....	1,000,000,000
Manufactured products.....	18,000,000,000

Total .....\$28,500,000,000

The value of our annual exports is \$1,700,000,000. The foreign market for our products is only 5.9 per cent. The value of our home consumption is \$26,800,000,000.

The home market for our products is 94.1 per cent.

Our prosperity depends on maintaining the home market as much as on home production.

When capital and labor are employed our people are interdependent producers and consumers, and necessarily enjoy prosperity. The value of material used, cost of production, and the wages earned and profits made then remain in the United States.

#### *A Greater South.*

Notwithstanding they so voted, the stronger and better business men of the South are now boasting of a "new South," a "greater South," and they are

rejoicing over its recovery through Protective Tariff laws from effete and Free-Trade business notions which prevented the establishing of healthy and prosperous industries and the development of its natural resources. They will no longer seek to prevent manufacturing and general business industries being established and maintained in their midst and to prevent well-paid, independent, free labor, as was long the rule in the South. The expression of this rule was embodied in the constitution of the Confederate States of America, which ran thus:

"Nor shall any duties or taxes on importations from foreign nations be laid to promote or foster any branch of industry."

Under this provision duties on imports were prohibited for the express purpose of preventing the establishing or fostering of any branch of industry. Slavery was bucolic, and any industry, likewise progress, was inimical to it.

It was most gratifying to see, as I did to-day, a sign on a lot on the northeast corner of Fifteenth and H streets, of this city, reading:

"On this site will be erected the building for the Southern Commercial Congress for a greater Nation through a greater South."

Under this should have been written: "Who would have thought it; The Dingley Act brought it."

#### *Imports and Exports Under Protection.*

Our national wealth has about doubled since the present Tariff law went into operation.

Experience has also shown that both our exports and imports have increased under Protective Tariff laws. An example showing this will be found in the following tables giving the value of imports and exports of merchandise in three successive years under each of the Wilson and Dingley Tariff acts:

#### *Values of imports and exports of merchandise under the Wilson Tariff act.*

	Imports.	Exports.
September 1, 1894, to August 31, 1895.....	\$759,108,416	\$806,670,050
September 1, 1895, to July 31, 1896.....	687,605,637	837,802,519
August 1, 1896, to July 31, 1897.....	766,296,619	1,054,379,735
<b>Total</b> .....	<b>\$2,698,852,304</b>	<b>\$2,213,010,662</b>

#### *Values of imports and exports of merchandise under the Dingley Tariff act.*

	Imports.	Exports.
August 1, 1905, to July 31, 1906.....	\$1,244,612,289	\$1,747,627,353
August 1, 1906, to July 31, 1907.....	1,456,450,869	1,897,707,339
August 1, 1907, to June 30, 1908.....	1,069,719,899	1,732,223,811
<b>Total</b> .....	<b>\$3,770,783,057</b>	<b>\$4,367,558,503</b>

It will be seen by these tables that both imports and exports were almost double in the three Protective over the three practically Free-Trade years.

The balance against us of imports over exports under the Wilson act, it is seen, was \$645,641,642, while the balance in our favor under the Dingley act was \$596,775,446, the difference being \$1,242,417,088.

Comment is unnecessary. The lesson was long ago learned that under Protection our people enjoy prosperity, indulge in more luxuries, and hence purchase more in value of certain articles abroad than in times of Free-Trade and its necessary business depression.

The large per capita of deposits in savings banks in the manufacturing regions referred to shows the general distribution of wealth among the people and its great excess over that of the people of the other regions. The importance of locating the producer and consumer side by side is shown in this comparative statement. The price of farm lands in the manufacturing region is, all things considered, much higher than in the other parts. Every spot of the once nonmanufacturing South that has been touched with a mining or manufacturing industry has prospered in contrast with the other parts, and this is the case elsewhere in this country.

#### *Whoever Does Nothing or Produces Nothing is a Natural Free-Trader.*

Whoever produces something from his mechanical or inventive skill immediately becomes a patriotic American Protectionist, and whoever does nothing or produces nothing is a natural Free-Trader, and he always pretends to believe that he has, in some way, been robbed by Tariff Protection of what he never had or deserved to

have. He pretends to believe that if he could buy cheap, foreign pauper-made things he would still prosper, although he had nothing and earned nothing to buy anything. There must be earning power and capacity and opportunity to exercise them to acquire money, and without money nothing can be purchased. There is no practical difference between high and low prices to a would-be purchaser who is without money.

If an article costs a dollar and is needed by a person who has not and can not earn the dollar, it might as well be offered to such a person at \$2, but if a person has not the dollar and somebody is standing ready to employ him at two, three, or four dollars per day, the acquisition of the needed article is easily in sight. This is well understood by the intelligent wage-earners of this country, and appeals to excite prejudice against their employers have been, and will continue to be, vain. And where the operatives in mills and factories are employed at good wages, all classes of mechanics and farm hands necessarily are in like manner employed, and when everybody is so employed general prosperity in all pursuits prevails. When employed, our people become interdependent producers and consumers and all enjoy prosperity.

Our market for all kinds of products of farm and factory is approximately 94 per cent of it at home. This is the market to promote and make secure. To do so is both wise and patriotic. America for Americans should be the watch-cry until the millennium comes.

#### *Goods Sold Cheaper Abroad.*

We still hear some talk about our manufacturers selling some of their product abroad for less than at home. This is rarely true save in appearance. Goods are generally sold to go abroad at wholesale and bring to the manufacturer more in net cash than he can realize if sold at home through agents and commission houses. The sales abroad are also generally of a surplus or remnant, and the goods are often made to sell in a foreign market to keep a home plant in operation. The proposed Democratic remedy for these foreign sales is to totally destroy our home-producing power and prevent our

people from selling anything at home or abroad.

#### *What Democratic Revision Would Do.*

No vested rights of property, no established industry, no scale of wages for the skilled mechanic or the common laborer in this country would be respected if Democratic revision could prevail. American interests and markets would be slaughtered to promote foreign interests and markets. American mines, mills, and factories would be closed and capital sacrificed or remain uninvested, all to promote foreign industries and investments.

The farmers' surplus product would be left to perish, or to be sold, if at all, at home to a largely idle people at very low prices, or transported for a like market, if any, to foreign parts, the farmer paying the cost of transportation and then selling, if at all, to pauper-paid classes of people. Democratic revision would have the consumers of American farm products located as far as possible from where they are grown. Such policy would separate as widely as possible the producer and consumer, reversing the axiomatic prosperity maxim, "Farm and factory side by side."

#### *Protection for Farm Products.*

This Democratic policy would not only turn the laborers from mining, mill, factory, and shop, but, in time, would drive them to agricultural pursuits, and, by increasing the number of farmers, lessen their chances for profits, and thereby reverse existing conditions.

In the proportion that the consumers of products of the field and farm exceed the number engaged in agriculture will the business of farming pay. The people in continental United States engaged in agriculture is about 35 per cent of the whole number. I remember when they were about 85 per cent of the whole number, and then farmers generally were poor and their products brought comparatively little.

The theory that our markets abroad for farm products would be increased by our buying manufactured or other goods abroad is not even plausible, and it has never been supported by experience. No country or people buy from us what they have or can produce at

home. Not a bushel of wheat, a barrel of flour, a pound of beef or pork, or other product of agriculture or anything else ever was purchased from the United States by any foreign people unless they needed it and could not produce it themselves. And we have just seen that we both buy and sell more abroad in Protective than in Free-Trade times.

The further Democratic, un-American theory that if we buy our goods from abroad and thereby enrich the foreign manufacturers and keep the foreign masses employed that they will be better able to buy of us needs only to be stated to show its fallacy. Is it not a better and wiser policy to establish and maintain flourishing mills, shops, and factories at home, filled with American well-paid laborers, and then rely on home consumption of our farm and other products? Anything that sacrifices home industries and thereby drives our mechanics to the streets, idle, is business suicide and un-American.

### *The Party of Free-Trade.*

The Democratic party, judged by its legislative history and by its platform declarations, can only be regarded as a Free-Trade party and inimical to all American Protection of labor and capital. The individual views of certain Democrats only indicate their desire to abandon a party that has done so much to prevent universal prosperity throughout the Union. When in power its legislation proved disastrous to the people. When out of power it has had some apparent success as a party of criticism, which is the last and lowest stage of party existence.

In 1892 its national platform read:

"We denounce Protection as a robbery of the many to enrich the few."

It then denounced reciprocity as a jugglery; and the Wilson-Gorman Act repealed all of the provisions in the McKinley Act of 1890 relating to reciprocity, and declared that everything done or attempted to be done to enforce it should be held to be null and void. By this our Government could not keep its reciprocal Tariff agreements with certain foreign countries, and was compelled to break faith with them, to our great dishonor. Yet in 1904 that party in its national platform indorsed reciprocity as sound in princi-

ple if coupled with Free-Trade, as though reciprocity could be practiced or would be necessary if our ports were open for free importations to all the world. Reciprocity is only possible as an incident to Protection. Reciprocity relates to a concession of existing duties between countries that levy duties; and, consequently, if no American duty exists, there can be no concession, and none is needed or could possibly be made.

### *Protection and Raw Materials.*

I understood the distinguished gentleman from Missouri [Mr. Clark] to announce in his recent speech that he and his party were now in favor of putting raw material on the free list. I congratulate him and his party over this conversion, and, I may say, progress. It was the platform policy of the Democratic party in 1892, and later, to class many things as raw material and then put them on the free list. President Cleveland, in his memorable letter of July 2, 1894, (see Record, vol. 23, pt. 3, p. 8494), to Mr. Wilson, then chairman of the Ways and Means Committee of this House, after soundly and truthfully denouncing and trouncing his party for its failure when in power to be able to act wisely and in the interest of the people, proceeded to declare:

"We have in our platforms and in every way possible declared in favor of the free importation of raw material."

"It must be admitted that no Tariff measure can accord with Democratic principles and promises, or bear a genuine Democratic badge, that does not provide for free raw material."

Wool, hides, and some other things were then commonly treated as raw material.

I agree, in the main, with the gentleman from Missouri [Mr. Clark] in his recently expressed views here that there is no such thing as raw material in the hands of its producer, and that everything is raw material to the user or consumer in manufacturing or otherwise. I also like his convenient policy of favoring a Protective duty on anything, raw material or not (salt only excepted), provided such duty will produce a revenue. He says he stands for Free-Trade, on salt under all circumstances as a Missouri ancient tra-

dition, and on that alone. I heard him with interest discuss the policy of a duty on zinc, a product of Missouri, and I would call a 10-cent limit on the proposition that his mental show-down will disclose that he has reached the conclusion that zinc needs a Protective duty against Mexican zinc because such a duty will produce a revenue. I hope he and his party will work the same mental racket on some other things that should be Protected.

In a broad sense there is no such thing as raw material, and in a narrower sense almost everything is, to somebody, raw material. An article or commodity is never raw material in the hands of its producer, and in the hands of a manufacturer thereof or of its consumer it is, to him, raw material.

#### *What Revision Should and Should Not Be.*

The principle of Protection must be generally maintained with reduction of duty on articles in the interest of revenue and without endangering the perpetuation of our home industries and the employment of our laborers at fair and remunerative wages. The farmer, as well as the manufacturer and laborer, should have his interests safeguarded. Our diverse and local interests, regardless of section, must be honestly cared for. If revision means a scramble for Protection of one section or industry to the exclusion of other sections or industries, or if the struggle is to be to put products of one section or class of our people on the free list because they are desired to be cheapened for manufacturers in other parts or by other classes, then when such revision comes, if it can come, there will be great cause of complaint, and it will prove a failure if it does not promptly and inevitably lead to great business disaster.

Free-Trade, universal Free-Trade, would be preferable to such revision.

Experience has shown that if the doors are open for free foreign competition as to any generally needed thing in this country, and that if the price thereof should be lowered thereby, it would be only for a time sufficient to destroy American competition and to drive our capital and labor out of the business involved, and then that the price would go back to a point higher

than it had been produced for at home. For example, the Wilson Tariff Act (1894) put cotton ties on the free list, and the result was that they ceased to be made in the United States, and the price thereof soon just about doubled.

The contention that products may be bought more cheaply abroad, through Free-Trade, is fallacious; but, if so, are we willing to abandon our policy of establishing, maintaining, and diversifying our own industries, and our policy of upbuilding and extending the employment of our own people, and thereby enabling them to receive living wages, and to permit our capital to be invested at a fair profit?

#### *All Classes of Our People Will be Directly or Indirectly Benefited.*

A Tariff may seem only to Protect a particular industry or occupation, yet if it is Protected and made to flourish, all classes of our people will be, directly or indirectly, benefited. So of all industries. They should, as far as possible, all be equitably Protected. It is impossible, especially in this country, for any large body of our people to follow successfully one occupation; and in so far as they do the country as a whole will not flourish financially or mentally.

It is only through diversified industries and ambitions that this country can continue to hold its commanding position and to exercise its controlling influence in the mental, moral, and business affairs of the world, or its people can generally prosper and be happy.

A reduction of import duties that does not result in bringing foreign goods into our country, not hitherto in competition with domestic goods will benefit nobody nor will it produce any additional revenue. To the extent that foreign goods take the place of our home-made goods, our laborers and capitalists must suffer. For every article purchased abroad that could be purchased of home production, gold or its equivalent will go abroad and our laborers and industries will be deprived of it. If revision is not such as to bring foreign and domestic goods in competition, then it will mean nothing. If this does not result, then the revision will lead to no good nor do no harm, save in destroying confidence.

And even Free-Trade or any approach to it that does not secure pauper-manufactured foreign goods and the dispensing with a like amount of our own goods will be equally vain and prices will not be reduced by it.

A revision of duties by reduction on what we are now able through Protection to produce would only have the effect to seriously injure or destroy our own industries, turn our laborers out of them, or compel them to accept reduced wages.

If the duty is reduced only so as to threaten the coming in of foreign products and so as to require the reduction of the price of our own home products, then the laborers, farmers, and manufacturers will still suffer the penalty in reduced wages, lower prices, and in the value of home products.

#### *President McKinley's Last Speech.*

So much of a misleading character is said of President McKinley's last (Buffalo) speech (September 5, 1901) in which he talked of Tariff revision, that I think best to try to have his then real views better understood. This speech was delivered after the present Tariff law had been in force only four years. Listen to some of the things he said in that speech had been accomplished by it:

My fellow-citizens, trade statistics indicate that this country is in a state of unexampled prosperity. The figures are almost appalling. They show that we are utilizing our fields and forests and mines, and that we are furnishing profitable employment to the millions of workmen throughout the United States, bringing comfort and happiness to their homes, and making it possible to lay by savings for old age and disability. That all the people are participating in this great prosperity is seen in every American community and shown by the enormous and unprecedented deposits in our savings banks.

We have a vast and intricate business built up through years of toil and struggle, in which every part of the country has its stake, which will not permit of either neglect or undue selfishness. No narrow, sordid policy will subvert it. The greatest skill and wisdom on the part of the manufacturers and producers will be required to hold and increase it. Our industrial enterprises which have grown to such great proportions affect the homes and occupations of the people and the welfare of the country. Our capacity to produce has developed so enormously and our products have so multiplied that the problem of more markets re-

quires our urgent and immediate attention. Only a broad and enlightened policy will keep what we have.

By sensible trade arrangements, which will not interrupt our home production, we shall extend the outlets for our increasing surplus.

What we produce beyond our domestic consumption must have a vent abroad.

If perchance some of our Tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?

#### *First Protect and Increase Our Home Industries.*

Whatever of suggestion the speech contains as to extending trade to other countries through reciprocity or through an interchange of commodities is conditioned upon first Protecting and increasing our home industries, upon preserving fair and existing wages to our laborers, and upon securing a needed revenue to the Government.

Of course, on such condition, it should be our highest ambition to secure a market for all the surplus commodities we may or can produce. President McKinley, in that speech, uttered no word showing a purpose to lower the banner of Protection he had so long upheld.

#### **Revision Downward in Over 100 Paragraphs.**

*From the Congressional Record of March 29, 1900.*

G. J. DIEKEMA, of Michigan. Mr. Chairman, I desire, first of all, to congratulate the majority of the Ways and Means Committee upon having reported to us a Tariff bill which the country has accepted as the fairest bill ever reported to the House. I desire to thank the distinguished chairman of the committee.

I like the Payne bill, as a whole, because it has kept the faith handed down to us by the fathers from Abraham Lincoln to William Howard Taft. Its very title breathes hope, prosperity, and Protection, for it reads as follows:

A bill to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

I like the bill because it is broadly American and not sectional in its provisions. It knows no North, no South, no East, no West, but only our common country and the interests and industries of all the people of this great Republic of the West.

I like the maximum and minimum schedule provisions, operating automatically, for by means of these we offer to all peoples industrial peace in our trade relations with them, provided they are willing to give us a square deal, and we want no peace upon any other condition. The liberalized drawback provision will place the small exporter upon an equal footing with the large exporter and will stimulate our export trade.

The revision downward in over 100 paragraphs, embodying so great a number of leading articles of commerce, meets the reasonable expectation of the people, and the increase of rates upon some articles not now adequately Protected and which we can produce, though criticised by the opposition, is a courageous adherence to the doctrine of Protection and bodes well for the future prosperity of the country. Under the Payne bill the American wage scale can be maintained, the American laboring man's standard of living can be continued, all legitimate industry can prosper, and the American people can work out their God-given destiny under the folds of the Starry Flag, which everywhere symbolizes liberty, equality, and justice.

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### "Contribution to the General Prosperity of the Country."

*From the Congressional Record of March 29, 1909.*

THOMAS R. HAMER, of Idaho. I hold in my hand the photograph of one of the largest hotels in Washington City. It is a brick structure of 325 rooms. It has a frontage of 110 feet, a depth of 100 feet, and is 13 stories, or 175 feet high, and has an exposed surface of 7,000 square yards, which is covered with three coats of lead and oil. I recently wrote the owner of this vast structure, who, by the way, is an architect of high standing and skill, and asked him the exact number of pounds of white lead used in paint-

ing the building and the average life of three coats of such paint. Here is his answer:

The exterior finish of the building is brick, covered with three coats of the best paint procurable, which is lead and oil. In painting the building 6,600 pounds of ground white lead was used, the rough surface of the brick consuming twice the amount of material that would be required to paint an equal area of boards, and almost twice as much as will ever be required to repaint it. The estimated life of three coats of lead and oil on an exposed surface is ten years.

In a later conversation with him, I said:

My dear sir, do you know that, according to the best Free-Trade authority we have, if you had built your hotel in Canada instead of in Washington, you would have saved 2 cents upon every pound of white lead used in painting your building, and, according to your figures, it took 6,600 pounds to do the job?

And what, Mr. Chairman, do you think he said in reply?

Well, what of it? The alleged economy only amounts to \$132 out of a total of a million dollars that it cost to build it. That \$132 was my contribution to the lead miners of the Nation, who spend one-third of their lives in dangerous and exhausting labor underground. I do not begrudge it; it was my contribution to the general prosperity of the country, without which my hotel would never have been built.

One of many kind-hearted patriots, Mr. Chairman, whose only fault is that they can not help being Democrats, because they were born that way. [Laughter and applause.]

### *Lost His Voice Singing "God Save the King."*

Now, I hold in my hand another and different picture. The neat and modest cottage of one of the toilers of the land. It contains six rooms and a commodious pantry, is built of lumber, and is 26 by 22 by 20 feet in size, and has an exposed area of 24 squares. It contains a toilet and bath and is connected with the city sewer. Its exterior is finished in three coats of lead and oil. It required just 120 pounds of lead to paint that house and 18 pounds of lead pipe to plumb it, making a total of 138 pounds in all. I also had a talk with the owner of this house. I said:

My good man, do you know that had you built your home in Canada



you would have saved \$2.76 in painting and plumbing it?

He was silent, and, as I thought, dumfounded, but slowly taking a scratch pad from his pocket, he wrote and handed me this message:

Say, mister, I lived in that country for thirty years in a rented cottage, and lost my voice singing "God Save the King."

[Laughter.]

His answer was all sufficient.

"Tariff reform" might mean free wool to the woolen manufacturer of the East, but when you ask them in return if they will consent to the importation of foreign manufactured woollens duty free, you must read their answer in the stars, for that is as near as you will come to getting any satisfaction. [Laughter.]

The proposed "Tariff reform" may mean "free lumber," which would be a concession to a cult of so-called "political philosophers," but would not mean a dollar in the reduction of prices to the consumer.

### *Producers of Raw Materials.*

No, Mr. Chairman, we of the West are essentially producers of raw material and will be for some time to come. The agricultural development of the West has just begun—that of the East was finished sixty years ago by the grandfathers of the present generation. Until far more favorable conditions than now exist shall make the West a manufacturing people, too, will we consent, nor would it be fair to ask us to consent, to the repeal of a tariff that protects our sole productions from the competition of the cheaper labor, cheaper transportation, and more favorable conditions that exist throughout the world. There was a time, not many years ago, when conditions were exactly reversed. Then New England and other of our eastern sister States were producers of raw materials, and we, of the Rocky Mountain West, produced hardly none. We mined our gold and trapped our furs, but neither industry was then, nor has ever been, in need of Protection, while on the other hand, everything we then consumed carried in addition to an exorbitant cost of transportation, the additional burden of a Tariff, placed thereon, not in our interest, but at the

behest of the eastern producers. For your flour, bacon, hardware, woollens, powder, and guns we uncomplainingly paid a price which, if demanded farther east, would have caused a revolution.

We believed then, as we believe now, that to foster and protect each and every interest of this country, whether peculiar to East, West, North, or South, should be the common interest of us all; and upon that upright and correct economic principle we propose to stand.

The spindles and looms, the factories and mills are of no more importance to the dwellers on the Atlantic seaboard than the mined lead, the shorn fleece, the sawed lumber, and the sugar beet is to the producer of the western mountains and plains.

I, for one, am willing to try the experiment of Tariff reform under certain conditions, but I prefer that it start way down east, where it originated, and come west by easy stages; and if, after a few years' trial back there, it does not result in substituting adversity for prosperity, we may try it on our wool, sugar beets, lead, and lumber with some degree of confidence and equanimity. [Laughter and applause.]

On the other hand, if "Tariff reform" is to degenerate into a game of "I tickle you and you tickle me," I for one propose, so far as my vote is concerned, that Idaho shall have her share of the tickling. [Laughter and applause.]

### **Protection for All or None.**

*From the Congressional Record of March 30, 1909.*

WILLIAM E. HUMPHREY, of Washington. I do not believe in placing a burden upon your neighbor that you are not willing to bear yourself. I most emphatically protest against Protecting one section at the expense of another. If Protection is right, then it can not be wrong to Protect all; if it is wrong, let us abandon it and adopt the theory of our ancient and oft-discredited enemy, the Democratic party. Justice demands that we protect all or none. This bill smacks too much of selfishness and expediency.

Everywhere it bears the marks of wanting to Protect certain industries,

and in order to do this sacrifices others that the appearance of a reduction may be given. If the Ways and Means Committee could have known the sentiment of the people to-day they would not have been so fearful of revising upward. The clamor for a reduction of the Tariff has suddenly stilled, as men in their sober second thought have begun to realize the paralysis of our industries that will follow. In that demand they begin to see the silent mill, the deserted factory, the smokeless chimney. When it is done and the result follows the people will forget the clamor to which we listened. They will curse us only for the result. [Applause.]

### How the Country Has Fared Under Free-Trade Tariffs and Protective Tariffs.

*From the Congressional Record of March 30, 1909.*

WALTER P. BROWNLOW, of Tennessee. We have two kinds of Tariff in this country, and both have been tried at various periods of our history, a Free-Trade Tariff and a Protective Tariff.

The scope and limit of the Free-Trade Tariff is the raising of revenue sufficient only to meet governmental expenses. In all its features it is a faithful reproduction of the system that England employs for the financial support of her Government. The design of both systems being for revenue only, their operations and effects are similar in that the duties are levied (luxuries excluded) upon commodities that are in universal and unchangeable demand. These commodities (luxuries excepted) are nearly all absolute necessities in the household economy of the common classes, and as they can not be produced with a margin of profit at home, they can not enter into competition with home productions.

#### *A Protective Tariff*

In all essentials is the antipode of the Free-Trade system. Its design and effect are twofold. While providing revenues commensurate with the needs and requirements of the Government, it so adjusts its levies as to principally affect foreign articles coming in

direct competition with home productions, fixing such rates upon these foreign importations that the market value of the same kind of products of home industries can not be reduced to the injury and impoverishment of our own producers and their millions of employees.

A Protective Tariff is the only un-failing friend of our home laborers. It is a sure-enough insurance policy against the possibility of distressing misfortune and want. It elevates their manhood and increases their self-reliance in maintaining their profitable wages against the low level of cheap foreign labor. It makes them love life and family associations, because it fills their homes with light, beauty, comfort, and plenty. It relieves them largely of the burden of expense, because articles of necessity in their household economy and which can not be raised profitably at home, or raised at all, are admitted free of duty, as coffee, tea, sugar, and so forth.

#### *A Plain and Lucid Definition.*

D. H. Rice, one of the most learned and practical economists of his age, thus defines Protection:

It is that economic system which requires that its sufficient duties shall be levied only upon such commodities (besides mere luxuries) as we are capable of producing in economy and quantity to regulate prices in the home market.

Here is the principal scope and design of a Protective Tariff in a nutshell, and here is a forcible demonstration of its truth, so often presented in Tariff literature, so tempting to use in this connection, and which will be appreciated for the force of its logic and truthfulness by every farmer and housebuilder in the country whose business experience goes back twenty-five years. Prior to 1883 our steel-wire nails were imported. The Tariff tax was 1 cent a pound and the nails cost the consumer 7 to 8 cents a pound. In 1883 the duty was increased to 4 cents a pound. The item of nails amounts to millions annually in the expense account of the country. Our own manufacturers saw what was in it, and they began the manufacture of steel-wire nails, and in 1891 their mills turned out 4,000,000 kegs, and instead

of importation, they sent their products to every quarter of the globe and our people could buy them at 2 cents a pound. This illustration suffices for the present, and it may be added with propriety that the doctrines of

### *Protection Justifies Itself*

in the same way and to the same extent in all other articles into whose construction iron and steel enter. This one large significant instance of the advantages of Protection confirms the intelligent belief and opinion that Free-Trade is a gnome stalking through the shadows of political superstition and prejudice or, as has been so often remarked, is a dream, a vagary, a theory which, if it could be clothed with substance and power, would obliterate with one fell blow all Tariff duties and raze all the custom-houses along our frontiers and, without let or hindrance, the nations of the earth would flood our markets with their productions.

*Our Workingmen Would Be Impoverished,* enslaved, and degraded as the British workingmen are to-day.

The pure-type Free-Traders are vanishing from civilization like the Indian, and there are only a few left. The South, which once felt itself so aggrieved by what it called "the thieving Tariff of the robber barons," and plead so importunately, in mingled tones of pathos and indignation, for its complete obliteration, sent its most potential and intellectual Representatives before the Ways and Means Committee at the time the Dingley schedules were being written, asking Protection for its industries, and the generous answer to those fervent prayers is to be noted in the South's wonderful growth and complete recuperation from the blight of war and the extinction of its slave system. And, at this very time, when a revising down is proposed and advocated, she is making still more insistent and fervent demands that high duties be retained. The Free-Traders, who have come down to us from former generations, are wiser than consistent in that they favor a Tariff on such articles as they deal in or materials they manufacture, while at great length and with impassioned eloquence they plead for Free-Trade in every-

thing else. So now it is the most difficult task to find a man of affairs doing a part in the great industrial world who is not fascinated by some particular Tariff schedule.

### *Has Lifted the Country Up.*

It is not contended here that the Dingley schedules are the acme of perfection, but they are about as near it as human judgment and calculation can get in striking a conservative, wholesome middle line between the excesses and insufficiencies of Tariff taxation. But it is an indubitable fact—one of the most prominent, interesting, and educative facts in our national history—that the Dingley Tariff lifted this country up from a prone prostration, infused new vitality into the dying body of the public credit, called back the tramping armies of tattered and despairing workingmen from the public highways to the reopened mills and factories, and with restored wages filled their homes anew with plenty, hope, and happiness.

*Fathers of the Republic Were Protectionists.*

One thing stands out pre-eminently in the history of this country, and that is its builders and promoters have indorsed the principle of Protection; among them our first Presidents, Washington, John Adams, Thomas Jefferson, James Madison, and James Monroe, who guided the destinies of this Republic through all the crises of its infancy and laid and broadened and strengthened the foundations upon which its peerless structure has been built. Daniel Webster, "the great expounder of the Constitution," declared in a speech at Buffalo, N. Y., June, 1833:

The Protection of American labor against the injurious competition of foreign labor is known to have been one end designed to be obtained by establishing the Constitution.

Years afterwards he declared that—domestic industry could not prosper, manufactures and mechanic arts could not advance, the condition could not be carried to any considerable elevation unless there should be one government to lay one rate of duty upon imports throughout the Union, regard to be had in laying this duty to the Protection of American labor and industry.

Henry Clay, Rufus Choate, Fisher

Ames, Edward Everett, and, besides, a long roll of the most profound thinkers and the most sincere and earnest students of political science and economy, have put on imperishable record their strong convictions in favor of Protection.

*Thomas B. Reed On the Vital Question of Wages.*

Thomas B. Reed is one of the most impressive figures in American history. He gave lucidity and vital force to every question that engaged his earnest thought and sincere approval. In his great speech against the Wilson bill in the House of Representatives February 1, 1894, he followed closely the line of argument Mr. Blaine made years before, not because he was not an original genius himself, but had been anticipated by the "plumed knight" of American statesmanship, and said, among other pertinent and convincing declarations:

I confess to you that this question of wages is to me the vital question to insure our growth in civilization and wealth, we must not only have wages as high as they are now, but constantly and steadily increasing. In my judgment, upon wages and the consequent distribution of consumable wealth are based all our hopes of the future and all the possible increase of civilization. The progress of this Nation is dependent upon the progress of all. The fact that in this country all the workers have been getting better wages than elsewhere is the very reason why our market is the best in the world, and why all the nations of the world are trying to break into it.

*Helps the Working People.*

In the periods of Protection the conditions of the laboring classes have been prosperous and happy. This has been the invariable rule, and this rule is as inexorable as the law of gravitation. Every workingman in the United States, under the operations of a Tariff law, like the one of the present, with prudence and without the stint of niggardly economy can own his own home and have a good bank account upon which to depend in sickness or other misfortunes. He can enjoy all the comforts and many of the luxuries of life. He can give his children all the mental training and equipment they need in the struggle for progress and betterment. He can own a library and buy all the current literature he and

his family need to keep abreast with the spirit and culture of the times.

He can be a king and stand before kings for his diligence, aspiration, and sovereignty. He can be one of the most important and useful integers in the citizenship of America, for he is a master worker, builder, and promoter, upon whose industry, competency, and integrity the fortunes of the country are founded, built, and maintained.

*In Free-Trade England.*

England collects annually from custom duties on articles which she does not produce and which the wage-earners must have to sustain life, one hundred millions. The laborers pay more than three-fourths of this sum. They have no homes; they are simply herding dens. Their houses are usually but one room, used by the family for all purposes. One out of 7 dies in the workhouse. The paupers are 1 to every 36 persons. A house owner among the workmen is a rarity. Women and girls by tens of thousands are compelled to do the most menial and exhausting drudgeries, such as working in nail shops, coal yards, brickyards, and coal mines, and in other occupations of like degrading character. Much more might be added in description of the harrowing conditions of labor in England.

The truth to say, the British Free-Trade Tariff system is responsible for all this misery, want, degradation, and enslavement; and it is virtually and practically the very same odious and ruinous system that our wild and reckless Free-Traders would impose on us, to the like degeneration of our own working people.

*Benefits Realized By the South.*

President Taft said in his speech at the dinner of the North Carolina Society of New York, at the Hotel Astor, December 7, 1908:

In this marvelous growth the manufactures of the South now exceed the agricultural products, and thus a complete change has come over the character of her industries. The South has become rich, and only the surface of her wealth has been scratched. Her growth has exceeded the rest of the country, and she is now in every way sharing in its prosperity.

Protection has done the "scratching," and every true and ardent lover of the South desires that it go deeper than "scratching" and delve down, down into the larger and richer treasuries that underlie the surface. He longs, prays, and works for the day when the disenfranchised and rejuvenated South may come into her own, when she may attain the broadest development of her marvelous resources of natural wealth and the highest financial standing, when she may be covered with splendid highways and filled with Lowells, Manchesters, and Pittsburgs, and there exists a perfect bond of sympathy, helpfulness, equality, and union between her contented and rewarded labor and the capital that employs it.

### Our Prosperity and Advancement Have Been Largely Due to Protection.

*From the Congressional Record of March 30, 1909.*

FRANK M. NYE, of Minnesota. Today, while I do not claim everything for the Protective theory, and while I do not claim everything for any political party, I believe that the stupendous wealth, the vast and diversified industries of our country, its prosperous condition on the whole, and its general advancement, have been largely due to a wise policy of Protection to American industries and American labor. [Applause on the Republican side.]

A nation of but one employment, of but one industry, is always a poor nation, always the slave of other nations; no matter what employment, if it be the most noble, perhaps agriculture, at the same time the mere producer of raw material for the improvement and manufacture of other nations, that nation will always be a slave. Not only that, but there will be a dead level of intelligence. The diversified employments of men, the mills and the factories where the inventive genius of men is quickened and thought is aroused and there is intellectual life and enterprise, that is the nation that will tower above the nation which produces raw material and lives to support other nations.

### The American System Which Gives Preference to Americans.

*From the Congressional Record of March 30, 1909.*

R. WAYNE PARKER, of New Jersey. Mr. Chairman, we may well be glad that we have had this general debate, by which Members of the House have learned each other's needs, and that all have their share in the American system, whereby every American gives a preference to what comes from the American farm, forest, mine, and mill. North and South, East and West should have learned that it is no question of sectional advantage, but of the general benefit that flows from dealing with each other. It is no mere question of prices, nor is it one only of wages. It is not merely a money question, of profits or home markets, nor only a social question of the building up of communities, nor only a political question of creating a state of national independence for peace and war, nor is it only a national question of uniting every employment and every locality by mutual interests and mutual dealing. It is also a far greater question; that is, of the encouragement and organization of the productive forces of the Nation—the education of hand and mind in that progress in the mechanic arts, that industrial development, that mastery of man over matter, that dominance of the powers of nature, which is the distinctive mark of modern civilization and which seems in every decade to revolutionize the lives and work of those nations who are wise enough to take part in that march.

We are learning by this debate that industry is national, that the farm, the forest, the mine, and the mill can not be separated, but must be considered together; that we must not think only of ourselves, but of each other. We must encourage agriculture and the product of the soil. America would not be content to be dependent on other countries for her food, as England is now.

Protection is no mere question of prices. The greatly reduced duties of the Payne bill assure us that Pro-

tected industries have usually greatly lowered prices. A country town that gives land for a mill expects other benefits than low prices. The fathers of the Constitution were farmers, and they expected no cheaper prices, but dearer, when they passed the first Protective Tariff for the encouragement of manufactures.

### *A Tax that all Can Afford to Pay.*

If the Tariff makes higher prices, the Tariff is a tax, but every class can well afford to pay that tax. The farmer can well afford to pay to bring the mill into his own native land and near to himself so that he may sell his crop without loss of price in the profits of jobbers and exporters and in foreign freights. He can then market bulky crops like hay, and perishable crops like fruits, vegetables, and milk, and thus bring into use different soils, preserve fertility, and diversify agriculture. His own nation will buy of him all that they need every year, while other countries only buy when their own crops are short. In foreign trade we already have great rivals in wheat, and Egypt teaches us not to be too confident of our monopoly of cotton. The American farmer should find his hope and strength in the ever-expanding home market created by protected industry.

But the farmer gets still greater good from the building up of communities. Manufacture and business demand and create facilities in which he shares—roads, railroads, stores, towns, schools, libraries, churches, telegraphs, trolleys, newspapers—and in all these the farmer's growing family find education and employment according to their several bent and ability. Thereby the nation becomes strong in that productive power which is its real wealth. Each occupation helps the other. It is the American machine shop that puts the sewing machine in every farmer's house and the reaper in his fields.

Free-Traders say that the country would lay by more money if it would only do what is most profitable for the time, but the fall of the Spanish Kingdom proved that mere accumulated wealth may be weakness instead of strength. It is not weight that makes the man, but balanced and vigorous

muscles. It is not bonds and stocks and the profits of trade that make the nation; but the power to produce in greatest quantity everything that is needed for peace or war.

### *To Keep Our People in Productive Employment.*

We should Protect our industries whether they pay or not, in order to keep our people in every productive employment wherein they may learn to do better.

Physicians tell us that one-seventh of the human body is wasted and replaced in every year. Figures seem to show that in the live and active nation the same is true of the property of a nation. It is the power to produce, the power to replace and to grow, which is our "common wealth," the res publica; and it is this productive power which the Republican party, as the party of the Commonwealth, has known how to foster and maintain.

There is a moral to all this. The productive energy of the farmer, the woodman, the stock raiser, the miner, and the mill, of our captains of industry, our railroad organizers, and our greatest land owners, as well as of the humblest workmen and hands in their employ, is equally deserving of Protection. We must be careful, it is true, that we do not confuse production with waste of natural resources, but away with the idea that a man should not be encouraged because what he makes is the raw material for some other man, or that an industry should not be Protected because its products could be bought cheaper abroad. It is the work that is valuable for itself, and not its product. It is the education and progress of our people in every branch of human productive energy which we must look to. If the Tariff be sometimes a tax, it is a school tax for our training in every branch of handicraft and of productive employment.

To do good to the least of these our brethren is to do good to ourselves. Each member that is at work helps the whole body politic. To exercise the arm sends life-giving streams into the whole body. Let us keep our people at useful work, so that "the whole body fitly joined together and com-

acted by that which every joint supplieth, according to the effectual working in the measure of every part, maketh increase of the body unto the edifying of itself in love."

My city is one of mills, with thousands of different industries and fifty or sixty thousand workmen. I would not ask Protection for a single one if I did not believe that the energies which they display work for the good of the Nation.

### *A Creator of Strength and Productive Power.*

Mr. Chairman, I believe in a Protective Tariff; not because it gives any man wealth, but because it teaches the whole Nation to recognize that national wealth lies in the organization and Protection of all our work, so that it is done better from day to day; so that our people are learning by the only effectual schooling, which is that of doing things; and so as to create that independence in peace and in war that has made us the greatest Nation of the world; where the arteries of commerce reach on iron rails from sea to sea; where the nerve currents speed over the wires of the telegraph with the rapidity of lightning; where the pulsating hearts of our steam engines give giant power that we can control and manage, each in his little place; and where American invention finds full play and scope. It is a system whose end is not to lay by wealth, but to create that which is of so much more importance than wealth—strength and productive power.

It is nearly a century ago that Frederick List, afterwards the father of German Protection, laid down in this country the fundamental doctrine that a nation's well-being lies in its productive power. Without it all the wealth of England fills its poorhouses and streets with the unemployed. With it each man, by work, is better day by day, and it can only be had if, like the great fathers of the doctrine of Protection, we recognize that every form of production throughout this broad land is equally worthy of being considered, encouraged, and preferred in all our dealings, binding us together as one Nation in heart, as we are one in interest. [Applause.]

### **The Principle Which McKinley Advocated and Wrote into Our Tariff System.**

*From the Congressional Record of March 31, 1909.*

JAMES KENNEDY, of Ohio. I am a Protectionist. I was reared in an environment of Protection. I represent a district which was once represented by McKinley upon the floor of this House. We are Protectionists there. We believe in that same principle which McKinley so ably advocated and wrote into our Tariff system.

Gentlemen upon the other side of this House are continually talking about the law of supply and demand and that all Tariffs ought to be placed upon a competitive basis. The Protectionist is not troubled about the constitutional power vested in Congress to, by a revenue bill, do many other things than merely to raise revenues. By a tax law, the primary object of which was not to raise revenue, we put out of circulation a character of bank currency which the people wished to have retired, and we, as Republicans, believe that we have ample power to and ought to stimulate production within our country by limiting the zone of supply for our internal demands. Thus we have and do, every time the Republicans pass a Tariff bill, modify and amend that old law of supply and demand. The Dingley bill was an amendment to this law of supply and demand about which Democrats are forever talking. The great apostles of Protection in this country have said that by limiting the zone of supply we would indefinitely increase the production of certain articles so that the supply would equal the demand. The Dingley bill was such a bill, and how it carried out and verified the predictions of the old Republican masters!

### *Faults of a Tariff for Revenue.*

The Dingley bill has been criticised by the able gentleman from Alabama because, as he said, in the year 1905, while there was only a little over \$500,000,000 worth of goods affected by certain schedules, which he criticised as prohibitory schedules, which were imported into this country and upon which the Government received a revenue, there were over \$13,000,000,000

worth of such commodities manufactured in our country. By the clearest inference in the world, it was and is admitted by the opponents of the Protective principle that production was wonderfully stimulated in all these Protected articles which were produced within the restricted zone of supply by this legislation, which did amend the law of supply and demand. Do gentlemen upon the other side, for the mere purpose of getting a larger revenue out of these schedules, wish to close down the great American factory—reduce its output so that the demand for manufactured goods in America shall be met and satisfied by goods produced by the labor of strangers living in other lands? To what extent would they increase the zone of supply? What aliquot part of the \$13,000,000,000 worth of manufactured goods which we now produce would Democrats take from the iron and steel workers of my district and yours, to have those goods manufactured in some other country and shipped in here so that we could get some revenue by the change?

### *A Vicious Policy.*

It does violence to every sense of fairness which I possess to hear people on this floor talking now of changing again this law of supply and demand for the purpose of bringing goods from other lands merely for the purpose of getting revenue upon them. I do not believe that any effort should be made to place our Protected industries upon a competitive basis. The competition which foreign goods in those lines of production where we can and ought to produce all that we consume has never benefited anyone and always has been productive of industrial unrest and discontent, so that when prices have been reduced by the influx of foreign goods into our country, those great factories, workshops, and mills, where labor is all organized in this country, where it is rightfully contending for its just dues in our civilization, industrial war commences. When we have home competition, labor and capital have been able to go forward in peace. They adjust their differences without trouble. But when menaced by foreign goods, there comes a danger which they can not anticipate or measure; then naturally and neces-

sarily follow misunderstanding and disagreement about the raising or cutting of wages. The interests which have been highly Protected under the Dingley bill have adjusted themselves to that law. They have invested money in accordance with it. They have generally entered into a fair and generous rivalry, which we call "home competition," and now any change which we make from the schedules in the Dingley bill affecting these interests should be made with the greatest care.

### *Protection Does Not Necessarily Enhance Prices.*

Opponents of the principles of Protection forever contend that Protection necessarily enhances prices. They give entirely too much credit to the importation of foreign goods for lowering prices in the past.

The encouragement by past legislation of great manufacturing enterprises has all along the line lowered prices of such articles in this country to a point where now it can be asserted with confidence that never before in the history of this country was the price of like articles so low in comparison with all other articles of value as it is to-day. When I left home to come down to attend this session of Congress a farmer could exchange 4 pounds of butter for a hundred-pound keg of wire nails; 40 dozens of eggs would buy a ton of pig iron. It almost seems that one would be better off to own a little chicken farm near some great industrial center than to own a blast furnace. A farmer out in Nebraska is said not long ago to have gone to a general merchandise store to purchase a buggy. He was shown a very nice buggy, and told that its price was \$62. He said: "I bought a buggy like that in 1896 for \$50." This was promptly denied, but the farmer insisted that he was right. The storekeeper consulted his books and returned, saying he was mistaken, "but you paid in exchange for that buggy 500 bushels of corn at 10 cents per bushel. Corn is now 60 cents per bushel, and if you will bring in 500 bushels of corn now I will give you that buggy at \$62. I will give you a sulky cultivator at \$25, I will give you a reaper and binder worth \$125, I will



give you \$50 in money, and I will have still \$38."

### *Without Home Competition Prices Are Always Exorbitant.*

There is abundant evidence that in every line of merchandise that is imported into this country the importers are most thoroughly combined, and, as in the case of pottery, other prices are most exorbitant where we have not home competition. We are, then, at their mercy absolutely, and they do exactly what the Government of Brazil is now doing with respect to coffee. Brazil substantially has our coffee market, and believing as they do that we must buy our coffee from them, they are putting on coffee an export duty, and the limit of their extortion will be reached only when the American consumer refuses to use Brazilian coffee. This fact justifies the countervailing duty upon coffee.

The Protective feature of a revenue bill performs the function of a barrier or wall to prevent the coming in of goods. Where our Tariffs should be Protective the greatest care should be exercised in keeping them high enough; when they relate to these things which our people should produce they should be prohibitive.

Our ad valorem duties have been levied always in the most unscientific way. Every ad valorem duty should be based on the price in this country. The ad valorem duty should be the ideal duty. Every just tax is based upon the value of the thing taxed and should be the value at the place where taxed. Goods are coming now to this country from Japan that are selling here at wholesale at an advance of 500 per cent of the price in Japan upon which they pay duty. Great potteries are being constructed now in both China and Japan intended to manufacture pottery for our market.

### **Protection Benefits Every Section by Furnishing a Demand for the Products of All Sections.**

*From the Congressional Record of March 31, 1909.*

DON C. EDWARDS, of Kentucky. Much has been said in the hearings on

this bill and in these debates about the consumer. When I speak for the lumber industry and for the coal industry, I am pleading for fair consideration of the millions who labor in these industries. They are the consumers and buy everything that they consume. They are the farmer's best customers. If you put coal on the free list and reduce the Tariff on rough lumber from \$2 per thousand to \$1 per thousand, as proposed in this bill, and the farmers and manufacturers get their lumber and coal from Canada, they will destroy their best markets. If these reductions will not bring coal and lumber from Canada, then it will do no harm to leave them as they are in the present law.

Much has been said in these debates about sectionalism. Mr. Chairman, in my opinion the only way to prevent a sectional law is to give full and fair consideration to every section and just Protection to every industry. If the theory of Protection is sound, its benefits can not long be confined to the immediate locality in which the Protected industry is situated, but will, by giving employment to labor, furnish a demand for the products of other sections. The coal miner buys his provisions from the farmer and his wearing apparel and house furnishings from the manufacturer, but has no quarrel with either. Because, in turn, they buy his coal, and while he lives in one section and they in another, each is dependent upon the other. The coal miner is making no unreasonable demand, but when gentlemen on this floor make earnest appeals for cheaper fuel for the American fireside, they should not forget the man who digs the coal. I would not, in any way, check the prosperity of the farmer, or in the least add to his burdens, for he is the salt of the earth. But his prosperity depends upon the prosperity and employment of labor, and not among the least of these are the coal miners. I have been a farmer many years of my life. I never owned a coal mine, but my sympathy goes out for the man who lives in an humble cottage of two or three rooms, and who takes his dinner pail in one hand, his coal pick in the other, and, after kissing his wife and children good-by, goes into the bowels of the earth to dig coal that they may be fed and clothed and educated—often

in mud and water, sometimes encountering the falling slate and deadly gases from which he never returns.

Mr. Chairman, if this be sectional, then I plead guilty of sectionalism. If this be in the interest of the producer and not of the consumer, then I am guilty of that.

Mr. Chairman, believing that what is best for the whole country will in the end be best for every community and our individual homes, I shall bow in submission to the decision of the majority on these questions. And when every man has had his say and this bill is put upon its passage, I shall accord to all gentlemen that same degree of patriotism and honesty of purpose which I claim for myself. Although he may differ from me, I shall not doubt that he, too, is performing his duty as God has given him the light to see it. I thank you. [Loud applause.]

### Tariff On Wood Pulp and Paper Needed in Order to Properly Protect Those Industries.

*From the Congressional Record of March 31, 1909.*

FRANK E. GUERNSEY, of Maine.

Let not Congress drive the paper makers into Canada and render valueless the homes that they have built in the United States, for if the proposed change in the pulp and paper schedules accomplishes anything or anywhere near what is predicted for it, it will of necessity transfer a great portion of the paper-making business from the United States to Canada.

Already American investors of large means have accumulated vast territories of timber lands within Canada's domains, and are only waiting favorable opportunity to construct pulp and paper plants upon them for the purpose of supplying the American market, which will at once strike a heavy, if not a fatal, blow to American industries in this same line and destroy the investments of the home builders of the United States.

I am well aware that the great cry that has gone up all over this country in favor of the conservation of the forests has had much to do with the demand for a lowering of Tariff rates. If the Tariff rates result in the closing of our mills and the land owner and the farmer lose the market for his timber and his wood, our forests will increase in some localities, while in others they would not.

Good prices for lumber products make the land owner more careful of the manner in which his land is cut. Forty years ago, when prices were low, there was needless waste in the operation of timber land. To-day the land owner, as a rule, throws every safeguard possible around the method of cutting his land. The paper companies cut in a manner that will insure the continued reproduction by their forests. The farmer and the small timber-land owner look upon his wood lot and his tract as he does upon his bank account.

What I have said relative to the pulp and paper industry in an equal degree applies to the free importation of manufactured lumber, which is advocated by many. If free lumber has any effect, it will sharpen competition with our sawmills and probably close up many.

While I have dwelt very largely in my remarks on the pulp and paper industry from a Maine standpoint, yet what I have said I believe will apply to the industry in the country generally. I listened with a great deal of interest to the gentleman from Illinois, Mr. Mann, chairman of the Special Committee on the Investigation of the Pulp and Paper Industry of this country, as it showed exhaustive and most careful consideration, and while the gentleman in his general conclusions at the closing of his remarks declared that he did not believe that the changes in the Tariff schedules, as made by the pending measure and based upon the report of his committee, would injuriously affect the paper industry in this country or transfer the paper industry or any great portion of it across the border, yet he did declare that eventually he believed the manufacture of ground wood pulp would be transferred to the backwoods of Canada.

What assurance can the gentleman from Illinois give that if the manufacture of ground wood pulp, which is made free under this bill, is transferred to the backwoods of the great country north of us, that the paper industry and the paper makers of the United States will not be obliged to follow?

What assurance has the gentleman from Illinois that it would be profitable to transport heavy and bulky ground wood pulp, which contains, it is stated, at least 40 per cent of water, from 500 to 1,000 miles from the northern woods of Canada to our paper mills here, in order that it may be manufactured into paper in the United States?

I believe that to be contrary to general experience. Industries are apt to seek the source of their supply of raw material when possible. I believe if the ground wood pulp industry eventually goes to Canada, as the gentleman from Illinois confesses it may, that it will be followed by the paper maker.

In conclusion, let me say that I believe the Dingley Tariff schedules relating to these industries should be continued or re-enacted in the present measure. This should be done in justice to the home builders in the paper-making towns, in justice to the leading industry of Maine. [Applause on the Republican side.]

#### *The Benefits of Protection.*

The Republican party has always maintained that a Protective Tariff was not class legislation; that it was not for the benefit of the manufacturers; but that it serves the double purpose of bringing to the Government the necessary revenues and, in addition thereto, scatters its blessings to every section of the country and to the people in every occupation and calling.

Our Democratic friends, however, continue to repeat that a Protective Tariff is class legislation; that the manufacturers alone are benefited, and that the people—the consumers—under a system of Protection are taxed for the benefit of the manufacturers. That the Republicans are right in their contention has been demonstrated over and over again in the history of our country.

### **"Everybody Has a Perfect Tariff Bill—in His Mind," Said the late Thomas B. Reed.**

*From the Congressional Record of March 31 and April 1, 1909.*

FRANCIS W. CUSHMAN, of Washington. The framing of a Tariff bill is surrounded with difficulties and embarrassments that are not understood by all the people of this Nation at large. It is not easy to revise the Tariff and produce a perfect bill.

Thomas B. Reed once said:

"Did a perfect Tariff bill ever exist? Oh, yes. Where? Why, in your mind, of course. Everybody has a perfect Tariff bill in his mind, but unfortunately a bill of that character has no extra-territorial jurisdiction."

[Laughter.]

#### *Difficulties that Surround the Building of an American Tariff.*

I had an experience in my youth that I think illustrates some of the difficulties that surround the building of an American Tariff.

The present populous and thrifty State of Wyoming twenty-five years ago was a sparsely settled territory possessing a few towns that struggled on with the ambition to be cities, possessing many frontier settlements each surrounded with a fringe of empty tin cans, a horizon of sage brush, and an unlimited destiny. [Laughter and applause.] The great Laramie Plains stretched out on the bosom of that broad domain like the open hand of the Infinite. Along the northern border of these plains rose the Laramie Mountains, and from out the surrounding and lesser hills rose old Laramie Peak standing like a mighty sentinel upon the horizon.

A quarter of a century ago, a lad in my teens, barefooted and footsore, I walked across those plains and toward that old mountain peak that seemed to beckon to me when I had nowhere else to go.

Underneath the shadow of that majestic mountain my mother, my brother, and I built our little cabin home. It was only a cabin built of logs, but it sheltered hearts as pure and hopes as exalted as ever existed beneath the sweep of the Almighty stars. [Applause.]

### *A Wonderful Log House.*

That structure in my judgment to-day constitutes the eighth wonder of the world. Certain it is that on all the wide bosom of the planet it has no counterpart, because the ordinary dwelling is rectangular in shape and the opposite sides and ends are of the same length. Not so with that structure. There were four of us who builded that cabin—one to each side—and each fellow made his own particular side of the length he thought it ought to be without any reference to the length that the other fellow was making his side. [Laughter.] And when we got through and took the exact measurements we had a cabin that was 16½ by 17 by 22½ by 24 on the ground, and sloped up at different angles and dimensions as it rose toward the roof.

Jack and Jim and brother Ed and I were the four workmen who builded that mighty structure. And for the past quarter of a century each one has contended that it would have been a monument of architectural perfection and a dream of symmetrical beauty had it not been for the other three fools whose lack of sense spoiled it.

But, sir, there it stands on the hillside to-day, hospitable, but hideous. It is a monument to the fact that when four men start to build a house that the final product will be a composite photograph of the brains, or lack of brains, of all of them.

### *"391 Boss Carpenters, Each With a Tariff Broadax."*

And the same thing, my friends, is true of a Tariff bill. We have here in this House 391 boss carpenters, each with a Tariff broadax, who will whittle and chop away at this measure to their hearts' content, taking orders from no one else. And then we have 92 eminent gentlemen in the Senate, at the other end of this Capitol, and after we have finished with the bill each one of them will hew away at it unrestrained by anything save the fear of God and the approaching election! [Laughter and applause.]

And thus it sometimes happens, sir, that when the American Congress after a fierce and prolonged struggle brings forth a so-called finished Tariff bill

and sets it up on the hillside for the inspection of the American public it is found to be like that little cabin out in the valley of the Laramie Mountains—a little out of plumb. [Laughter.]

There are theorists and dreamers of dreams who say they expect to live to see the day when the Tariff question shall be removed from the domain of American politics.

So long as our revenues are derived from the Tariff, just that long will the Tariff question remain a live issue in American politics.

### *"Like Peach Pie Without Any Peaches."*

American politics with the Tariff left out would be like peach pie without any peaches, or like the play of Hamlet with the melancholy Dane omitted.

### *I Am a Protectionist.*

Speaking for myself, sir, I am a Protectionist, without any qualifying adjectives. I am not only a Protectionist, but a high Protectionist.

I believe in the Protection of American industry and the Protection of American labor—yes, I believe in it like the heathen believes in his idol.

That may sound a little strange in these degenerate days, when a great many men don't seem to have any fixed convictions on any subject but act like human weather vanes trying to point in any direction that the shifting breeze of popularity or prejudice may temporarily indicate.

When I say that I am a Protectionist, I thank my God I don't have to apologize to anybody for that belief. I can plant the feet of my faith on the pages of my country's history. [Applause.]

Time and again in experience, and by the light of history, I have seen the industries of my nation flourish under Protection, and I have seen them fade under Free-Trade—or Tariff for revenue only, which is another name for Free-Trade.

### *"Protection All the Way Through, and Not In Spots."*

If a man is a genuine Protectionist he believes in Protection all the way through—and not in spots. A genuine Protectionist wants the industries of his own region Protected, and is will-

ing to grant that same right to other people and other industries.

Frequently you will hear a man say, "I am a Protectionist, but I am in favor of free lumber," or "I am a Protectionist, but I am in favor of free hides." The man whose Republican convictions are not any deeper than his selfishness is not a Protectionist. The man who wants his own industries Protected, but who is willing to leave his neighbor's industry naked to the competition of the world, is not a Republican; he is just a common political cannibal, willing to eat up his neighbor.

For the man who really believes in Protection, I have the greatest admiration.

For the man who honestly believes in Free-Trade, I have at least respect. I do not agree with him, but I respect his consistency.

But for the spotted animal who wants his industry Protected and his neighbor's industry left naked to the industrial winds of all the world, I have neither admiration nor respect.

### *Two Great Achievements of the Republican Party.*

The two great achievements of the Republican party in its political lifetime have been, first, the settlement and adjustment of those vexed questions which grew out of the great civil war—how happily forgiven if not forgotten; second, the building of a great and prosperous industrial system under the Protecting wing of an American Tariff law.

If you take away from the record of the Republican party all the splendid fruits that have grown under its system of Protection, you will find but little left.

The Democratic leaders may rail about the system of Protection and promise grander returns to the laboring man under their chosen plan, but there is an old saying that "the proof of the pudding is in the chewing of the string." The promises of the Democratic party have been infinite—but where are its performances?

### *As Empty as a Seashell.*

I have heard a number of eminent gentlemen on the Democratic side of

this House speaking in the last few days in behalf of a Tariff for revenue. I heard the young gentleman from Texas [Mr. Sheppard] deliver one of the most finished and beautiful orations I have heard in many a day. As a literary product, pure and simple, I am willing to add my leaf to the wreath which the Democrats of this House laid at his feet when he concluded.

But as a historic justification of the policy and the performances of the Democratic party it was as empty as the seashell which sings in your ear from sheer emptiness.

My Texas friend spoke feelingly of two Democratic Free-Trade laws which had vindicated themselves in operation. What two laws were they? He spoke of the acts of 1824 and 1847. The last of those laws was enacted sixty-seven years ago. Has the Democratic party no history since sixty-seven years ago? My young friend does not appear to be an old man, and yet I marveled much at two things: First, how he was able to remember so accurately the effects of a Tariff bill that was enacted some thirty years before he was born, and, second, how he could so utterly forget the Democratic Wilson bill that was enacted during his lifetime.

He appealed to the imaginations of men. I appeal to their recollections. He sought to vindicate a theory. I refer to a demonstration. He wandered in the realms of fancy. I turn the pages of history to recently recorded facts.

In 1894 we tried the same policy that is to-day advocated by the Free-Trade or Tariff-for-revenue side of this House, and the question rises before us to-day, "How did your theory work when you tried it last?" It was a humiliating failure.

### *"If it Did Not Work Then, What Makes You Think It Will Work Now?"*

Well, we have the same country here now that we had then; we have the same people that we had then; we have the same industries that we had then; we have the same soil beneath us and the same sky above us. If it did not work then, what makes you think it will work now? [Applause.]

I regret that there seems to be

growing up in this country a disposition on the part of some of our Republican brethren to drift away a little from the doctrine of Protection.

That same disposition was manifest in this Nation just before the last Democratic victory. Their victory was due then more to our weakness and vacillation than to the strength of their own cause. Are you going to help create a similar result again?

What the Republicans of this Nation need to-day more than they need all things else is to have their faith renewed.

There is an old saying that "the blood of the martyr is the seed of the church." By that it was meant that the blood of the persecuted strengthened the faith of the living. The church was stronger after the sacrifice than before.

If I might paraphrase that old saying I would exclaim that "the destruction of American industries is the seed of Republican faith."

In other words, some Republicans seem to require a disastrous demonstration of Democratic doctrines about every ten or fifteen years in order to strengthen their faith in their own belief.

So far as I am concerned I don't need to have my faith half-soled. My memory is still working.

I have certain fixed convictions, and one of those convictions is in favor of a high Protective Tariff law, and on that I am willing to plant my feet and go up or down with it. [Applause.]

### *"How High Ought Protection to Be?"*

Some man asks, "Well, how high ought Protection to be?" My friends, you can not figure out in degrees or percentages how high a Tariff ought to be. In my judgment an American Protective Tariff ought to be high enough to protect the industries that it was built to defend; and no Tariff wall, however altitudinous, that has that object in view has any terrors for me.

I was raised on the farm. We had a "breachy" old mare in those days that was in the habit of jumping into the corn field. We started in to raise the height of that rail fence. We raised it from five rails to six rails, but that did not stop her; we raised it from six

rails to seven rails, but that did not stop her; we raised it from seven rails to eight rails, but that did not stop her; but when we added the ninth rail we reached the limit of her vaulting capacity. For the purposes of Protection, had that fence been one rail less, it might as well have been "a painted ship upon a painted ocean." [Applause on the Republican side.]

The way to build a Tariff wall is to build it high enough to protect. I knew a man once who fell into a cistern. He was a very tall man. He was 6 feet tall. Now, the water in that cistern was only 6 feet and 2 inches deep, only 2 short inches over his head; but he drowned as effectually as if he had been dropped into the depths of the unfathomable ocean. [Laughter.]

You talk about lowering the Tariff wall by degrees or per cents. You may only lower the Tariff on a given article 2 per cent, but that 2 per cent may be like the last two inches of water in that cistern—just enough to destroy. And when you lower a Tariff wall enough to destroy an American industry, the blood of that industry is on your hands.

### *Stick to the Diet That Agrees With You.*

In its inception in America the Protective Tariff found its justification in the fact that it built up our infant industries.

In its maturity the Protective Tariff finds its justification in the fact that it is the mightiest single instrument in this Nation for maintaining the prosperity of all classes and all sections of our common country.

Some men will say, "Well, I did not object to it when our Nation was young, but how long are you going to continue to protect these industries?"

Let me tell you a little story that answers that question:

A few years ago I had a very fierce attack of indigestion. I had been eating all kinds of truck that no human stomach should ever try to assimilate. In the midst of my troubles I went to a doctor who put me on a very simple diet of rice and boiled eggs and brown bread and fresh beef, etc.

I soon got into first-rate shape again. And then my old appetite returned. I longed to eat plum pudding and fruit cake; I had a hankering for

hot mince pie, and the contents of the seductive chafing dish—that tastes so good going down and so bad coming up.

Finally one day I spoke to the doctor and said:

“How long do you expect me to keep on this diet you have prescribed for me?”

He said to me: “Young man, don't you think it would be a good idea for you to stick to that diet as long as it agrees with you?”

And I say to the American people that it will be an almighty good idea for us, as a Nation, to stick to the Protective Tariff as long as it agrees with our welfare and our prosperity.

And, when men tell you that Protection does not agree with us as a Nation, ask them to point out to you some other national diet that when tried agreed with us better.

Some of these Free-Trade notions are like the contents of the chafing dish—they are fair to look upon, but are followed by terrible results when absorbed into the system.

Men will talk about things being “cheap” and being “dear.” Did it ever occur to you that the two terms cheap and dear are relative terms and not absolute? Nothing in this world is dear at any price if you can procure it with financial ease. And nothing in this world is cheap at any price if you haven't got the money to get it. [Applause on the Republican side.]

### *The Price of Products Rests Upon the Price of Labor.*

You say you are going to bring down the price of products and the price of living. How are you going to do it? The price of products in all free countries on earth rests upon the price of labor—because it is labor that makes the product. The only kind of a country on earth where the price of labor does not control the price of products is in a slave country where labor is unpaid. When labor is high, the things that labor produces are likewise high—they are bound to be. You talk about keeping down the price of commodities without lowering the price of labor.

It was old Archimedes who once said that given a fulcrum on which to rest his lever he could move the world. When you attempt to adjust your lever

to bring down the price of living expenses and commodities, there is only one fulcrum on earth upon which you can rest that lever, and that is the price of labor and wages.

And when you rest your lever on that fulcrum, for every inch you pry down commodities you will lower labor two inches. [Applause.] That is the place where your philosophy lands you.

### *Employment Far More Abundant Than When the Democratic Party Was in Power.*

Any man who walks abroad over this Nation to-day will find employment far more abundant than it was when your party, the Democratic party, was in power. You appeal to the American laborer to-day with an imaginative condition. You display before his eyes some kind of a Utopian condition under which you say that wages shall be high and all other things shall be cheap. That condition never has existed in six thousand years of the world's recorded history and it never will exist.

The conditions that the Republican party have created in this Nation in the past twelve years are not only recorded on the pages of industrial history, but, what is more, they are enshrined in the grateful hearts of 90,000,000 American people. [Applause on the Republican side.]

Now, then, my friend from Missouri [Mr. Clark] has spoken very feelingly about his desire to have the price of commodities and living expenses and lumber come down, but the gentleman never raised his voice to congratulate the laborers of this country on the fact that wages were high. If anybody ever hears of a leading Democrat in this Nation congratulating somebody because wages are high, industry universal, and employment plenty, please wire me at once at my expense. [Laughter and applause on the Republican side.]

### *From a Dime's Worth of Liver on Credit to a Dollar's Worth of Porterhouse for Cash.*

I refer to certain things that have come directly under my observation. You say that wages are low and that employment is scarce. These condi-

tions now are far better than when your party was in power. I recall now one little incident that to my mind illustrates the difference between the conditions that exist now and the conditions that existed in the days of 1894-95. Within three blocks of my cottage there is a little meat market. My friend Geiger, who keeps that meat market, charges good high prices for his meat, too, but I never object, because I like to see people get good prices for what they sell. [Laughter.] I occasionally drop in there to buy a bit of meat. I dropped in there one Saturday night, and a laboring man came in and said to the butcher, "Cut me off a couple of slices of that porterhouse, medium thick, and take the change out of that," and he threw down a \$10 gold piece. I saw that same man go into a meat market in that same town in 1895 and ask for a dime's worth of liver on credit. [Applause and laughter.] You can talk all you want to about the conditions that have existed under your party and mine. I tell you that the laboring man of this Nation has traveled a mighty distance since the Democratic party was last in power. He has traveled all the way from a dime's worth of liver on credit to a dollar's worth of porterhouse for cash—and that represents a mighty and an unmeasured distance on the chart of domestic economy and national prosperity! [Loud applause on the Republican side.]

#### *The American Farmer and the Tariff.*

Mr. Chairman, a good many things have been said about the farmers' prosperity in this Nation, and it has many times been stated that a Protective Tariff does not help the farmer. That I deny, and if my observation and my experience goes for anything I can prove it.

In the first place what does the farmer do? He raises crops. What for? To sell. To sell to whom? Not to sell to other farmers, because they are engaged in the same kind of industry; they are his competitors and not his customers. The farmer raises products to sell to other people engaged in different kinds of industries. His customers are the clerks in the stores; the laborers on the railroads;

the laborers in the factories; the workmen in the mine, and the men who work in the sawmills, and all other men in the Nation who do not raise products.

Therefore the price of the farmers' products are high when all these men are at work and are on a pay roll, because they are then buying the farmer's products. A laborer may be just as hungry when he is "broke" as when he has money, but his custom lacks profit. The laborer must have money or he can not buy. He must have work or he hasn't got money.

Now, then, it has been by reason of the fact that our factories have been running, that the mills have been running, that our mines have been running, that all our men are employed, that wages are high, that employment is plenty, that industry is universal—these are the things that have made the prices of the farmers' products high.

#### *What Makes Eggs 50 Cents a Dozen.*

That is what makes eggs in my town worth 50 cents a dozen. That is what makes butter worth 45 cents a pound. That is what makes a spring chicken no bigger than your fist and mostly neck and pin-feathers worth 65 cents. [Laughter.] That is what makes strawberries worth 20 cents a box—and the bottom of the box is a good deal nearer to the top than it is close to the bottom. [Laughter.] That is what makes Uncle Tom's old brood mare, 16 years old and blind as a bat, worth \$100 in gold. I have been buying some of the farmer's products in the past few years and I know the prices that I have quoted, because I have paid them; but I am not complaining, because I like to see people get well paid for what they produce. [Laughter.]

I also had some knowledge and some experience with the price of the farmer's products in the State of Washington in 1894 and 1895. You could buy horses in that State then, good sound horses, that weighed 900 pounds for \$15 per head. You can absolutely sell a fat hog to-day in my State for more than a small horse would bring in those days. Eggs were then worth about 8 cents a dozen. I saw strawberries offered for sale in those days



on the streets of Tacoma 9 boxes for 25 cents, but mighty few people were eating strawberries in those days at any price.

Oh, there does not anybody need to sit up nights worrying about the condition of the American farmer these days. He is laying away the gold coin with every revolution of the sun, and at the same time the price of his farm land is soaring into the sky until an acre of good farm land is worth more than a city lot. [Applause.]

#### *When We Had Cheap Lumber and Other Things.*

My friend from Missouri [Mr. Clark] has been talking on this floor about cheap things. He wants the price of lumber to be cheap so the laboring man and the farmer can build homes. Well, we had cheap lumber in this Nation in the years of 1894 and 1895—the cheapest lumber that was ever known in recent years. Did people build homes in those days? Oh, no; they not only did not build new homes, but most of them lost the homes that they had already built. [Laughter and applause on the Republican side.]

Do you think that it is an ideal condition when things are cheap?

Horses were never so cheap in the world before as they were then—but everybody went on foot. [Laughter.]

Food was never so cheap as it was then—but everybody was hungry. Clothes were never so cheap—but the whole human landscape was patched and ragged. And the Free-Trade party was never so cheap as it was then—because nobody wanted it at any price. [Laughter and applause on the Republican side.]

I tell you that high wages is a sign of good times. It is the wage scale, and not the price list that is the barometer of a nation's prosperity. [Applause on the Republican side.]

#### *How Values of Farm Products Have Increased.*

Now, if the values of farm products and farm lands have increased about as much as lumber has increased in the same time, then it is manifest that the farmer has no just complaint.

I desire at this time to exhibit another chart, which is as follows:

*Values of farm produce and stock at the farm.*  
[Yearbook, Agricultural Department, 1907.]

	1900.	1902.	1904.	1906.	1907.	Increase since 1890. Per cent.
Wheat .....	\$0.619	\$0.63	\$0.924	\$0.867	\$0.874	41.1
Corn .....	.357	.403	.441	.399	.516	44.5
Oats .....	.258	.307	.313	.317	.443	71.6
Hay .....	8.89	9.06	8.72	10.37	11.68	31.3
Horses .....	44.61	58.61	67.93	80.72	93.51	109.4
Mules .....	53.55	67.61	78.88	98.31	112.16	109.2
Hogs .....	5.00	7.03	6.15	6.18	7.62	52.4
Sheep .....	2.93	2.65	2.59	3.54	3.84	31
Potatoes .....	.431	.471	.453	.511	.717	43.1
Cotton .....	.0724	.0828	.0873	.1008	.104	43.6

*Farm values: Real estate and buildings.*

Groups of States.	Year 1900.	Year 1905.	Per cent increase in five years. Per cent.
North Atlantic .....	\$283,424,743	\$321,659,562	13.4
South Atlantic .....	178,598,124	242,884,169	35.9
North Central .....	842,762,447	1,140,405,566	35.3
South Central .....	294,663,111	414,721,646	40.7
Western .....	113,647,881	158,198,563	39.2

Now, then, I ask any man to look these two charts in the face and then say whether the price of lumber has risen unfairly and out of proportion to other products in the United States—including the products of the farm. And I also call attention before I leave

this chart to the fact that not only the price of farm products has risen, but the price of farm land has risen as well. This chart shows the advance in the price of farm products during seven years, but it only shows the advance in the price of farm land in five

years. That is because the Agricultural Department only take the farm values once in five years—and the next date will therefore be in the year 1910.

### *Some "Infant Industries" Other Than Manufacturing.*

The gentleman attempted to justify his inconsistent position by saying that Protection was well enough when afforded to an "infant industry," but that the lumber business had grown beyond the stage of infancy. I wonder if the gentleman is willing to apply his own logic to his own industries. I find on the Protective Tariff list to-day the following articles and items, all of which are produced in Nebraska, and which are on the high end of the Tariff list—and none of these relate to an industry that is in its infancy:

[At this point Mr. Cushman displayed on the floor of the House the following chart.]

CHART NO. 1.  
"INFANT INDUSTRIES" OF NEBRASKA.

	Rate of tariff, Payne bill.
Mules, per head.....	\$30.00
Hogs, do. ....	\$1.50
Sheep, do. ....	\$1.50
Corn, per bushel.....	\$0.15
Poultry, per pound.....	\$0.03 to \$0.05
Bacon, do. ....	\$0.05
Cows, per cent ad valorem..	27½
Wheat, per bushel.....	\$0.25
Hay, per ton.....	\$4.00

This chart shows a few of the protected "infant industries" of Nebraska. [Laughter.]

### *Industries of Long Standing.*

Mules. Great Lord, nobody will contend that the raising of mules is an infant industry. [Great laughter.] People have been engaged in raising mules since and before Balaam rode through Jerusalem on his historic charger of that particular breed. [Laughter.]

Hogs, Protected by a Tariff of \$1.50 per head. No well-informed man will claim that the raising of hogs is an "infant industry." People have been engaged in that industry ever since the Biblical swine ran down the steep place into the sea.

Sheep, Protected by a Tariff of \$1.50 per head. The raising of sheep is not an "infant industry." Men have been engaged in raising sheep since and be-

fore the days when Lot tended the flocks of Abraham on the plains of Canaan.

Corn, Protected by a Tariff of 15 cents per bushel. The raising of corn is not an "infant industry." People have been raising corn ever since Joseph went down into Egypt and cornered the corn crop in the days when there was no Sherman antitrust law to stay his hand or interfere with his enterprise. [Laughter and applause.]

Mr. CLARK, of Missouri. That was wheat. [Laughter.]

Mr. CUSHMAN. They called it corn. Mr. CLARK, of Missouri. They call it corn, but they do not know what they are talking about.

Mr. CUSHMAN. Well, the Bible calls it corn. But if it was wheat instead of corn it is all the better for my argument on this bill, because wheat is Protected by a higher Tariff than corn.

Poultry. I also see there is a Tariff on chickens, 3 to 5 cents per pound. Now, the raising of chickens is not an infant industry. People have been raising chickens on this planet since the cock crew after Peter had thrice denied his Master. [Laughter.]

### *Venerable Indeed.*

Now, if the eminent gentleman from Nebraska [Mr. Kinkaid] wants to apply the logic of infant industries to all the schedules of this bill, then he and his industries are off the map before we start, because his industries were old—indeed they were venerable—before the world ever heard the music of a band saw or listened to the hum of a shingle weaver.

Yes; I lived in Nebraska years ago. And there comes to me to-day, rising like a beautiful phantom from those broad and sunlit prairies, the most touching and beautiful memory of my life.

In all the years that have intervened, when I have heard that prosperity had reached the old home in Nebraska, it filled my heart with joy and satisfaction. I was glad to learn that the gentleman and his people were all prosperous.

I make no onslaught on his State or her industries, and it ill becomes him to make this onslaught upon lumber, the chief industry of my State,

**What the Sawmill Man Sells to the Farmer; What the Farmer Sells to the Sawmill Man.**

Now, then, I have another chart here that I have entitled: "Tariff picture of the sawmill man; what the sawmill man sells to the farmer; what the farmer sells to the sawmill man."

What sawmill man sells to the farmer:

Lumber ..... On the free list.

What farmer sells to sawmill man:

*Payne bill tariff.*

Horses and mules.....	\$30 per head.
Cattle .....	27½ per cent.
Hogs .....	\$1.50 per head.
Fresh beef.....	1½ cents per pound.
Bacon and hams.....	4 cents per pound.
Poultry .....	3 to 5 cents per pound.
Flour .....	25 per cent.
Wheat .....	25 cents per bushel.
Corn .....	15 cents per bushel.
Oats .....	15 cents per bushel.
Hay .....	\$4 per ton.
Potatoes .....	25 cents per bushel.
Butter .....	6 cents per pound.
Eggs .....	5 cents per dozen.
Onions .....	40 cents per bushel.
Apples .....	25 cents per bushel.
Cheese .....	6 cents per pound.
Honey .....	20 cents per gallon.
Wool.....	3 to 36 cents per pound.
Cabbages .....	2 cents each.

Every product mentioned in this list is a product which the sawmill men of my State buy from the farmers, and they buy large quantities, too.

And so far as I have observed the sawmill men always pay cheerfully for what they buy, too. They expect to get a decent price for their lumber, and they are always willing to pay everybody else a decent price for his product.

**Shows Only One Side of the Picture.**

Mr. HITCHCOCK. Mr. Chairman, does the gentleman seriously contend that those Tariff schedules on the natural and inevitable products of Nebraska are of any benefit to the people of Nebraska or any compensation to them whatever for the enormous burden they bear by reason of the great Tariff on coal and lumber and on the products which they must buy from eastern factories?

Mr. CUSHMAN. I do; and I will ask you if the Tariff did not benefit the Nebraska people and their products, what price did they get for those products when you and your Democratic

party were last in power? [Applause on the Republican side.] Did they get the same prices they are getting now? Mr. HITCHCOCK. I want to tell the gentleman that we need no Protection, and we are selling those products in competition with all the world today, in all parts of the world, without the Protection of any Tariff. The prices we get are based on the prices in the countries to which we export our surplus, as you very well know. [Applause on the Democratic side.]

Mr. CUSHMAN. Let me say to the gentleman that he only shows one side of the picture. When industry is universal in the United States our working people have money to buy, and then we consume at home the largest portion of what is produced at home. But when labor is out of work and has no money to buy, that forces abroad an ever increasing part of your products, and that brings down the price. [Applause on the Republican side.] The gentleman talks about the market of the world like we did not have anything to do with it. The biggest factor on earth in controlling the market

of the world is either prosperity or poverty in America.

Mr. HITCHCOCK. I want to say in reply to the gentleman that the question is not whether we can get prices for our Western products, but whether enough Western products can be raised to feed the world.

#### *How Was it in 1893-'97?*

Mr. CUSHMAN. How did it come, then, that the people of this nation, when you and your party were in power, rose up and kicked you out because they did not like the way your policies affected the Nation?

Mr. HITCHCOCK. I reply to the gentleman that the Tariff on hogs and corn and wheat has nothing to do with the case. It is like the flowers that bloom in the spring.

Mr. CUSHMAN. That may be your judgment; it is not mine.

#### *"Political Death Has No Terrors for Me When It Looms Athwart the Path of Duty."*

He who has the faith to march to political death for an immortal principle is sustained and soothed by an approving conscience, and he sees in the sun as it goes down the blessed reflection of a coming dawn that shall be the signal of his political resurrection. [Applause.] But the political infidel who has no economic convictions, save the changing murmur of the multitude, when political death overtakes him his miserable image passes forever into the changeless night, un-comforted by the companionship of heroic recollections or the blessed hope of a future day.

Sir, in the political life of America those who have eternally chased shifting public opinion at the sacrifice of principle are not those who have eventually planted their feet upon the serene and lofty summit. The men who are willing to accept defeat for principle rather than to capitulate for the spoils of office are the men whose treasured memories to-day constitute the noblest heritage of this Republic.

#### *The Example of William McKinley.*

Such a man was William McKinley. [Applause.] Let me remind you, my countrymen, that William McKinley

once in his lifetime stood exactly in the same position that the Republican party stands to-day. He was framing the McKinley Tariff bill. The political enemy was filling the air with wild denunciations of that bill and its author. The public was wavering in its belief. Some political dodgers and primers in his own party were deserting the ship. But there stood McKinley, with principle in his hand and courage in his heart, and all the world, sir, can not stand against that combination. [Applause.] And was McKinley defeated? Ah! yes. His political ship went down, but the last thing that greeted the gaze of his countrymen before the wanton political waves rolled over that frail craft was McKinley standing on the deck with the flag of Protection held aloft in his hand. That flag was the last thing to go down—and therefore it was the first thing to come up! [Applause.] And, sir, when that flag and that matchless standard bearer came once more into view, the loyal and loving hands of his countrymen placed on his brave brow a wreath woven from the fairest garlands ever garnered in a republic. [Loud and continued applause.]

#### **Danger to be Apprehended from Cheap Labor Competition in the Orient.**

*From the Congressional Record of April 1,  
1909.*

DUNCAN E. McKINLAY, of California. Since the last Tariff bill—the Dingley bill—was framed and passed new elements of competition have developed, and those elements are now rapidly becoming a controlling factor in the cost of production throughout the world. I allude to the fact that the great oriental countries, which throughout the history of the world, up to a few years ago, have been considered consuming countries from the standpoint of manufactures, are now becoming themselves, at a tremendously rapid pace, manufacturers, producers, exporters, and competitors, not only for their own consumption, but for the markets of the world, which markets include the American market, as well as the European.

The United States has been able since the universal use of machinery

in manufactories has come into play to successfully compete with Europe. We have been able to do this and still pay double and treble the wages Europe has paid, and in some instances produce the article cheaper than it could be produced in any European country. We have been able to do this; first, because we have had the raw material at our doors, and, again, our country has developed very rapidly in the accumulation of wealth with which to capitalize every form of industry; but principally our universal system of education has developed keener intelligence in our working classes, and the inventive genius of the American mechanic, sharpened and stimulated by education, has invented machinery of highest efficiency and of the 'greatest labor-saving capacity. And supplementing these agencies, our enterprising business men and captains of industry have had the intelligence and the nerve to enable them to discard obsolete machinery and constantly re-equip their industrial plants with the latest labor-saving devices, and thus through the efficiency of abundant capital, labor-saving machinery, inventive genius, and the natural intelligence of our American mechanics, we have been able to overcome the great differences in wages prevailing in Europe as against the United States. [Applause on the Republican side.]

Europe, on the other hand, has been slow to change her methods of manufacture and production. As a rule, they have clung to obsolete machinery and to old-fashioned business methods, and consequently we have been able as a manufacturing nation to hold our home markets against European competitors and also in many cases, particularly within the last ten years, successfully compete in other countries for a share of foreign business. If these conditions should continue and no new elements of competition enter into the equation, I believe we might, with safety, concede a great deal to our Democratic friends as to the advisability of enacting a Tariff-for-revenue-only measure.

#### *A New Industrial Rivalry.*

But the conditions I have indicated will not continue; they are at end already. The competition of Europe need no longer be feared by the United

States; a new industrial rivalry is forcing itself into the arena of the world's affairs. And that rivalry is of the Orient. World-wide movements of trade and commerce and of international agreement and disagreement have resulted in opening the Orient to the free play of all the influences and agencies of twentieth-century civilization and progress; and now we find in the countries surrounding the Pacific Ocean competitors in production and manufacture, as well as consumers of the products which we are anxious to dispose of in order to maintain in continued operation our home industries.

There are 800,000,000 of people in the lands bordering the Pacific Ocean, not considering the United States, and of these 800,000,000 of people, two-thirds at least are laborers. In China there are 432,000,000 of people, according to the latest report. Three millions of these belong to the well-to-do class, and the balance are workers. In Japan there are 50,000,000 of people, not counting the inhabitants of Formosa, which island contains 3,000,000 more. And of this great total of the inhabitants of Japan, 46,000,000 depend on labor. In India there are 200,000,000, and scattered through the islands of the sea and South America there are peoples who will make up the sum total of 800,000,000.

#### *There Never Was a Time When the Principle of Protection Should Be More Carefully Guarded.*

Now, the point I wish to make is this: When these hundreds of millions of the peoples of China, Japan, Korea, and India begin to use up-to-date machinery under the management of skillful men, imported from every industrial center of the world, assisted by capital furnished at the lowest possible rates of interest by the government itself, begin to manufacture cotton goods, woolen goods, steel and iron products, wooden products of a hundred different kinds, leather goods, and numerous other varieties of manufactures, will we sell our manufactures in their country or will they sell the products of their mills and factories in ours? I contend, Mr. Chairman, that a careful study of the conditions which I have briefly indicated, which

are rapidly developing in the countries bordering on the Pacific, will demonstrate that there never was a time in the history of the United States when the principle of Protection should be more carefully guarded than in the present hour. [Applause.]

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**Abraham Lincoln Said: "The Tariff is a Question of National House-keeping. It is to the Government What Replenishing the Meal Tub is to the Family."**

*From the Congressional Record of April 1, 1909.*

ARTHUR L. BATES, of Pennsylvania. The Democratic party went before the country with, in many respects, an attractive platform.

But on the subject of the Tariff they differed radically from us. They declared that a reduction should be made in the schedules as might be necessary to restore the Tariff to a revenue basis, and on that issue went before the country. The Republican party on that subject declared that—

"in all Tariff legislation the true principle of Protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad."

On that issue the Republican party was indorsed at the polls by over a million and a half majority, the greatest popular majority save one ever given a national candidate in a contested Presidential election.

The people, then, have passed on the question and have indorsed the principles of the proposed Tariff bill, and we are here to register their decree. This view of the Tariff question was also strongly and emphatically indorsed by President Roosevelt in that campaign, and also by our present President, Mr. Taft, who stood upon that plank of our platform and again and again insisted that the Republican doctrine of Protection must be maintained. The object of this bill is to raise revenue, to encourage industries, and to equalize duties. It is intended to lighten burdens so far as possible of the people of our land—laboring man, farmer, and toilers of every class.

***Abraham Lincoln On the Tariff.***

When Abraham Lincoln came to Washington to take the oath of office in March, 1861, he said, in Pittsburg:

"The Tariff is a question of national housekeeping; it is, to the Government what replenishing the meal tub is to the family."

That saying is as true to-day as when it fell from his lips.

This Tariff bill, when passed, will be the result of compromise and will be the consensus of opinion of 46 States and 4 Territories. It affects them all. It relates to every interest, it touches every citizen. It is easy to criticise it; it is easy to carp and find fault; easy from a narrow view point to say that it does not meet the requirements of this or that persons, locality, or interest.

But, Mr. Chairman, every day students of architecture visit the Cathedral of St. Paul and point out its seeming defects. They criticise its architecture; they point out how this or that in nave or transept or in its magnificent elevation might have been made differently; but in spite of their criticisms St. Paul's Cathedral at London stands to-day the noblest specimen of architecture in the world and a tribute to the genius of Sir Christopher Wren. And when it is borne in mind that the interests of all the States and Territories must be conserved in one document, I believe that there will be, on this side of the Chamber, a ready acquiescence, a ready yielding, to the greatest good for the greatest number in the framing and in the passage of this bill.

It is a revision downward, in response to popular will, and in accordance with the pledges in the Republican platform.

Mr. JOHNSON, of South Carolina. The original doctrine or the advocates of Protection was to protect infant industry.

Mr. BATES. And is to-day.

Mr. JOHNSON, of South Carolina. And the promise was that when they got strong Protection should be withdrawn and the people would get the benefit of the reduction.

Mr. BATES. Yes; and so they do. But you can not hurt one industry of a certain class without hurting all. The strength of a chain is its weakest link. The small industries would fail

first and leave the large ones stronger than before, because home competition would be lessened.

Mr. JOHNSON, of South Carolina. But they have changed their plea.

Mr. BATES. Not at all. If the gentleman will permit, I will give an illustration: In the old days, up to 1897, we bought all of our tin plate, practically, from abroad, and paid a Tariff duty of 1 cent per pound. This duty was not enough to induce capital or labor to go into the business in this country; not at the rates we pay labor here.

**Major McKinley Said: "We Will Build an Industry in This Country."**

They said, "You can not do it." He said, "No; I can not do it with a Tariff of 1 cent a pound, but if you will give me adequate Protection it can be done." What resulted? They gave him in the McKinley bill a Protection of 2.2 cents per pound, and the tin mills started.

A campaign of abuse, of misrepresentation, and vituperation ensued, and Major McKinley was defeated at the polls for Congress in Ohio because those who opposed him hired peddlers to go through his district charging more for dippers and pails and to say that they charged the extra price because of the Protective Tariff of the McKinley bill. Now, did they pay more on account of that? Why, at first, when the deception was on, they did, but afterwards the price of tin came down lower than before. It became an industry in this country that employs 17,000 people and pays out in wages \$10,000,000 in cash annually, and has saved to the American people in the last ten years in the decreased price of the article \$35,000,000. The Tariff was reduced by the Dingley bill from 2.2 cents to 1.5 cents, and it is proposed in this bill to reduce it still more to 1.2 cents. There is a concrete example of building an industry in this country until it should become strong and have a market here, and now the Tariff has been reduced and the cost of the article has been reduced and we are buying tinware cheaper than we have ever bought it in this country before we transferred the industry from that side of the Atlantic to this. It is all, however, a question of wages for labor. If the Tariff had been

taken off, we would either reduce the wage scale or close the mills.

**Selling Cheaper for Export.**

Mr. COX, of Indiana. Does the gentleman mean to say that we should have bargain days and give the foreigner the benefit of those bargain days; does the gentleman mean that?

Mr. BATES. For the same reason that every country on the globe practices the same thing. England has an export price less than its home price.

Mr. COX, of Indiana. That may be true, but two wrongs do not make a right.

Mr. BATES. It is the common practice in all nations. England, under a revenue Tariff, does the same thing, so it clearly can not be charged to a Protective Tariff; and so does every other country; so does every industry. A commission examined into this matter most carefully only a few years ago. Take, for instance, the example of a mower and reaper company in Ohio. At the end of the season they may have 10,000 machines on hand of that year's pattern. One of two things must happen. They must either save those over for the next spring opening and close the mills, or else they must dispose of those machines somewhere on the market and the mill go on and manufacture the new pattern for the next spring. The cost of distribution in this country is very much higher than abroad—salaries of general agencies, salaries of selling agents; then there is a certain loss on notes and collections; also salaries of middlemen. Suppose they sell the whole lot abroad in one consignment and save the cost of distribution? Why, it would be acting the part of wisdom to sell them at cost, or 90 per cent of cost, and clean them out to get the money back and turn it into next spring's manufacture of the new pattern. [Applause on the Republican side.]

**Cost of Living Here and Abroad.**

It is an error to assert that the cost of living is so much greater here than over there, if they live as well as we do. More than half the supplies of the United Kingdom are bought abroad, and mostly from the United States. In the city of Glasgow are 80,000 families living, each family in a single room,

It is no wonder that advanced English thought of a Balfour or a Chamberlain says:

"It is not well with our English trade. The most advanced of our commercial rivals are not only Protectionists, but are going to remain so."

Joseph Chamberlain, in a signed statement in the London Telegraph, said:

"After a long period of success, the policy of unrestricted imports has now shown sign of failure. Our supremacy has been wrested from us. One by one, markets once profitable and expanding are closed to us by hostile Tariffs. We have lost the power of bargaining for the removal of these barriers to our trade."

A gentleman on the other side was concerned the other day about the wool question and keeping the poor people warm and trying to keep off the dread tuberculosis. I received a circular pointing out the necessity of a reduction of the duty on manufactures of woolens and especially on carpets. Great heavens! Mr. Chairman, in what other country on the face of the globe does the laboring man have any carpets, or any parlor floor on which to put them, if he had carpets? Or in what other land on the face of the globe does the workingman have a Sunday coat, as pleaded for by the distinguished gentleman from Missouri, as well as a day coat, or any of the luxuries of life that are enjoyed by the great warp and woof of the people of the United States?

The radical difference on this subject between the two parties is, and has been, almost from the foundation of the Republic, that the Democratic party is concerned for the welfare of the "consumer," and the Republican party is concerned for the welfare of the producer, bearing in mind that every man is first a producer before he can be a consumer, and bearing in mind, also, that every man is a producer. Every worthy citizen is a producer, and sells his labor or the product of labor before he can be a consumer. On these two theories the parties for a hundred years have contested almost every election as to which should gain the ascendancy on the two sides of that proposition. The Republican party believes in looking to the welfare of the purchasing power of our people, to their ability to produce and purchase.

I will read four or five lines from an editorial in the Washington Post the other morning as to this question:

"But how about the American workingman who may suffer a cut in wages in order to enable Europeans to enter this market? The Protective principle should stand unimpaired, and it should not be based upon the nonsense that only 'infant industries' should be protected. American industry, whether an infant or a giant, should receive the first consideration of Congress. Let the foreign industries and workmen wait until our own people are cared for. No foreign government sacrifices its own interests to those of the United States, but, on the contrary, many of them discriminate against this country. They have a right to do so, and it is the right of the United States to take a position where it can retaliate if necessary."

### *Fallacy of Cheap Goods.*

And now I desire to say a word on the fallacy of cheap goods: The idea that we might sell everything for a good price and buy everything cheap is most fascinating. What does it mean to buy in the cheapest market? It simply means that the American people are to buy their glass, earthen, and china ware, cottons, woolens, silks, linens, tools, machinery, hardware, cutlery, iron, steel, and, in fact, every manufactured article in Europe; that they shall cease entirely buying of home producers unless our manufacturers will sell these articles cheaper than they can be purchased from any other people of the earth.

It means that we will buy our food and farm products in Canada, the Argentine Republic, or wherever they can be bought at the lowest prices. It means that the purchasers of other countries shall buy where they can get goods the cheapest; hence the purchasers of the world would not come to the United States to buy their manufactured goods or farm products unless they can buy them cheaper here than in any other country. Instead, then, of selling there, we would be reduced to the necessity of selling cheap or not at all, excepting, of course, as we might produce a superior article or something that can not be obtained elsewhere. We could only become sellers by selling for a lower price than any one else.

It means that the cost of production below the rest of the world must necessarily follow. It means the invo-



king of the law of the "survival of the fittest." It means that those industries that could not stand the struggle should perish. It means that capital, if there is any left from the ruin that would be wrought, must seek other investment or go into hiding and be unprofitable. It means that laborers thrown out of work must find employment in some other industries, but it means also that the other industries must always be those in which the commodities can be produced cheaper than elsewhere. It means that to enable us to sell in the best markets we must undersell all competitors. There would thus ensue an entire revolution in the methods and conduct of business here, and leveling down through every channel to the very lowest line of our competitors. Our habits of life would have to change; our wages cut down 50 per cent or more; our homes exchanged for hovels. This is what would necessarily flow in the wake of Free or Freer Trade. All goods would be cheap, but how costly when measured by the degradation that would ensue.

***When Goods Are Cheapest Men Are Cheapest.***

It is a principle as old as the hills and everlasting as the unchanging law that when goods are cheapest men are poorest; and the most distressing experiences in this country or in all human history have been when everything was lowest and cheapest when measured in money, but highest and dearest when measured by labor. The best unit of value is what a day's labor will produce. It seems to me we have had full experience of cheap times in this country. Goods were cheap in this country from 1855 to 1860; yet the farmer could hardly raise enough money to pay his taxes.

***President Buchanan in 1857.***

The wail of President Buchanan, in his message to Congress in 1857, states the case. He said:

"With unsaid plenty in all the production and all the elements of natural wealth, our manufacturers have suspended, our public works are retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers are thrown out of employment and reduced to want. We have possessed all the elements of material

wealth in rich abundance, and yet, notwithstanding all these advantages, our country, in its monetary interests, is in a deplorable condition."

Such a condition of affairs continued until the Morrill Protection law of 1861 was enacted. When again the Democracy was intrusted with power, in 1892, 1893, 1894, and 1895, and struck down Protective Tariff laws, we had cheap goods again in this country. We had 3,000,000 laboring people out of employment, and had hunger and desolation everywhere all over this land.

***President Cleveland in 1893.***

How like the words of his Democratic predecessor were the words of President Cleveland in his annual message to Congress in 1893, after a Free-Trade administration had been voted in. He said:

"With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance of business enterprise, suddenly financial fear and distrust have sprung up on every side, numerous moneyed institutions have suspended, surviving corporations and individuals are content to keep in hand all money they are usually anxious to loan. Loss and failure have involved every branch of business."

This was a little over a year after the people had elected an entire administration pledged to what the world knows as "Free-Trade."

We have in this country a higher order of civilization than elsewhere. If then, the consumers of the United States pay more for the necessaries and comforts of life than they would under a low-wage scale, they are simply contributing to the maintenance of that civilization, intelligence, comfort, happiness which makes the people of this country conspicuous among the nations of the world. Whether we pay more for the necessities of life than those in other countries or work for a lower wage is wholly immaterial. That is not the question. The real question is, Does it pay them to do it?

***Protection Encouragement.***

Tariff laws encourage men with money to open mines, build factories, establish industries, which could not exist were it not for the Tariff laws which shield them from foreign competition. This creates a demand for labor. A Protective Tariff, then, be-

comes a Protection to opportunity. If the people are given opportunity for employment, they will fix their own wage rate. If these opportunities are destroyed, it is impossible to satisfy them. The wants of men are satisfied through the efforts of labor. The main arguments on the other side of this House seem to be based upon the narrow demands of man as an individual, with no reference whatever to his relation to society. It is the doctrine of individualism—the cold, cruel doctrine of the survival of the fittest. It is the doctrine of Richard Cobden, of John Stuart Mill, of David Richardo, and the gentleman from Missouri [Mr. Clark].

### *Free-Trade Means Wage Reduction.*

John Bright conceded a vital point in the controversy in 1886 when he admitted that the one way by which free competition can be met and home factories preserved is by a reduction of wages. This, then, is the only alternative. Reduce the Tariff on competing products, admit freer importations, and then only by reducing wages and degrading labor are our industries to be defended and carried on. The American market is worth more than twice as much to us as all the foreign markets combined, even if we could possess those foreign markets exclusively. What would it profit us to tear down our home market and gain the whole world of markets?

The Tariff bill that would enable foreign goods to compete freely with our own products ought to be labeled "A bill to promote the welfare of the people of Leeds, Bristol, and other cities of England and the Continent at the expense of the laboring people of the United States."

When did we ever lower the duties in this country that hard times and a depleted Treasury and gold flowing out of the country did not ensue? When were the higher duties ever restored that general prosperity did not follow? When did the Democratic party ever assume power that they did not at once make an assault upon the Protective features of the Tariff laws? If there is one thing that the school of Bryan, and the school of Cleveland, and, in fact, all the schools of modern Democracy do agree upon, it is to as-

sal the Protective features of the Tariff laws of this country whenever possible.

### *But it Did Destroy Industry.*

I quote as high Democratic authority as the late Senator Gorman when I state that "the last and only complete Democratic victory gained in recent years was won because the candidate stated, 'We will not destroy any industry.'" And on that declaration the campaign of 1892 was waged in the East and Middle West rather than upon the dangerously worded Chicago platform in which Protective Tariff was assailed as unconstitutional, and which platform was soon evoked, and, as far as possible, formulated into organic law. Were industries destroyed? Ninety-two articles were transferred from the dutiable to the free list by the Wilson bill as it came from the Democratic Ways and Means Committee, or as it passed the House, among them wool, sugar, coal, iron, and lumber. The farmers were stripped of the Protection afforded in the McKinley law; railroads went into the hands of receivers; banks closed their doors; the smoke of industry ceased to cloud the sky; 3,000,000 laboring people were thrown out of employment; gold left our shores with every ship; the looms and reels and spindles of Bradford and other cities of England and the Continent worked double forces night and day to supply our people with textile fabrics, while the workingmen of America languished, were being fed at soup houses, and begging for bread.

### *The Greatest Market in the World.*

We hear a great deal about the necessity for foreign trade, the desirability of conquering foreign markets, and I would not belittle that necessity nor deny that desirability; but let us never forget that the greatest market in the world, the most desirable, that most essential to our well-being and advance and to our independence, is the great, unequalled American home market. [Applause on the Republican side.] And let us not forget either that the policy which has furnished to us and preserved that market is the policy that plants the factory beside the farm; the policy that protects every home industry. [Applause on the Republican side.]

Our steadily increasing foreign trade for the past twelve years has been remarkable. It is desirable that it be extended further to dispose of our increase in surplus products. It can be extended by sensible trade arrangements with other countries by keeping our manufacturers accurately informed of trade conditions of the world, the state of foreign markets, by fostering and upbuilding an American merchant marine, by finishing the Isthmian Canal; but we must not endeavor to build up our foreign trade by sacrificing our home markets, because in seeking markets we want the best markets. The best markets are where the people can sell the most products at good prices and have the money paid for them after they have sold them, and that place is here in America, after practically forty years of Protective Tariff ascendancy. [Loud applause on the Republican side.]

### All the Progressive Nations of the World Sell Cheaper for Export Than at Home.

*From the Congressional Record of April 1, 1909.*

CHARLES L. KNAPP, of New York.

The criticism is often made that some of our manufactured articles or products are sold abroad cheaper than at home, or below market prices. That practice does not characterize solely the manufactured products of this country. There is not a progressive nation in the world some of the manufactured articles of which are not sold abroad cheaper than at home. This is true of Germany, France, and even of Free-Trade England.

The percentage of our manufactured articles so sold abroad cheaper than at home is so small in comparison with the aggregate exports as to hardly deserve discussion, and would not but for the fact that dignity has been given to the transaction by persistent opponents of the Protective system. It has been explained time and time again that this small percentage so sold may be surplus stock, or be goods that are out of date, or may be for the

purpose of gaining a new market or holding a market against strong competition. But it must be remembered in this connection that when goods are so sold the American workingman and farmer are not the losers but the gainers. These goods have been manufactured at the same rate of wages as those sold at home. They have enabled our factories to keep their fires going month after month; to keep their workmen employed without cessation, and thus to keep the home market for the farmer whose products are necessary for the support of those so engaged in manufacturing industries.

#### *A Pure Question of Business.*

Moreover, this system is not a question of Tariff but a pure question of business. It is practiced by Free-Trade countries as well as Protective Tariff countries; by the manufacturer whose product is not Protected, as well as by those whose product is Protected; by merchants who make special inducements for out-of-town people. It is a plain business transaction, practiced by nearly all engaged in any one of our diversified industries, and will doubtless continue so long as industries are prosperous.

The truth about it all is that we are not the only nation that suffers from trusts. They have existed in Free-Trade and Protective Tariff nations. They have existed under Republican and monarchical forms of government. They are not the result of political, but commercial conditions. The commercial world at present is a world of combinations. Business and commercial industries are making busy the cities and dotting alike the hills and valleys. Trade and commerce are spanning continents and crossing seas. River, ocean, and railway transportation is facilitating the interchange of the markets of the world and making nations next-door neighbors. Leading in all this advancement is the United States. We are the greatest agricultural, manufacturing, and industrial nation in the world, but our triumphs have invited our trials. We want the prosperity, but we do not want the evils of the trusts, and so the problem is how to retain the prosperity and regulate the combinations, eliminating the evils.

## Opposed to Free-Trade in Coal as Inconsistent with the Policy of Protection.

*From the Congressional Record of April 2, 1909.*

FRANK W. MONDELL, of Wyoming. I deny that reciprocity in coal would give New England cheaper coal on the average or in the long run, but if it should reduce the price a few cents per ton, it must be by having American products driven from her markets by a foreign product. Is New England prepared to advocate such a policy? Is she prepared to profit at the expense of the Virginias and Montana, Washington, Wyoming, Utah, and Colorado?

Shall a Protectionist appeal in vain to New England on behalf of Protection? There she stands, rock-ribbed, sound, rich, prosperous, and so she will remain so long, and so long only, as the policy of Protection shall prevail in the land. Her countless mills and factories are splendid monuments to the genius and industry of her people, but no less are they monuments to the Protective policy of the Republican party.

Does New England desire to have it said of her that her adherence to the fiscal policy that has made her rich has destroyed the spirit of fair play and of devotion to all the Union which made her famous? Is she willing to amass wealth, increase her dividends, and enlarge her factories at the expense of the crippled and shattered industries of her sister States? Do her Representatives hope that industries thus maintained and expanded can long endure when the policy of Protection which has made her prosperity possible depends for its very existence upon the continued faith of the American people that it is maintained in a spirit of equity and justice to all sections of our common country?

Outside of New England, with the exceptions I have mentioned, the wildest flight of imagination can conjure no hope of cheaper fuel to any American citizen by free coal. Think of it! We are surrendering a million of revenue, threatening industries with extinction and American workmen with loss of employment, and nowhere in all the vast area of the States will there be any appreciable reduction in the price of coal to the consumer.

Then, tell me why any one anywhere should favor this proposition. I will tell you why some favor it.

### *Should Not Forget to Be Consistent.*

Mr. GRONNA. Is it not true that the manufacturer now can obtain free wheat from Canada?

Mr. MONDELL. Well, I do not know about the manufacturer, but I know that the gentleman stands for a duty on wheat, and I stand with him.

Mr. GRONNA. I am glad of that.

Mr. MONDELL. The fact is that if our brethren of Minnesota and the Dakotas should forget to be consistent as Protectionists and seek only their own selfish interests, they should still stand unitedly against this reciprocity arrangement, because by no possibility can it be helpful to them in reducing the price of coal in their States by a single penny, while in the long run it would lead to their complete undoing.

### *The Lesson of Experience.*

Mr. SLEMP. I would like the gentleman to state the effect of the Wilson Tariff bill on the production in Washington and Montana.

Mr. MONDELL. I will be glad to do that, because it illustrates just what would happen in Boston when the leverage is given the foreign operator.

Under the McKinley bill there was a duty on coal of 75 cents a ton, which under the Wilson bill was reduced to 40 cents. It was, of course, better than no duty at all, but it was not high enough to afford adequate Protection, the result being that the Canadian operators temporarily reduced their price just enough to secure the market, and then gradually raised it to a point as high or higher than it had been before. Any attempt on the part of the American operators to regain the market was met by a temporary reduction, until the American operators, realizing that the Canadian operators had the leverage and could and would use it to put them out of business, made no further attempt to secure the markets they had lost until after the passage of the Dingley bill.

Last year the States of Washington and Montana mined approximately five and three-quarters million tons of coal. Add to this three and a quarter million tons as the estimated proportion of the

Wyoming coal that went north, and we have 9,000,000 tons of annual coal production, giving employment directly to 20,000 to 25,000 men, besides many more indirectly, threatened most seriously. And all in order that some operators in Ohio and Pennsylvania, who are already making good profits, may make better profits, and in order that a few people in New England may indulge their fancy for what they are pleased to call "free raw materials."

Mr. Chairman, more is involved in this question, much more, than the granting of the selfish demand of a little handful of manufacturers in New England, already grown rich under Protection, for an opportunity to attempt to sweat a few dollars out of American coal producers, serious and sorrowful as that spectacle is. There is more involved than the adding of millions to the profits of a few American exporters of coal and of a great railway magnate who is said to own much of the Crows Nest Pass field in Canada.

The real question involved is whether the Republican party shall deliberately, and with malice aforethought, urge a reciprocity arrangement, which Canada has not sought, with the full knowledge that such action will seriously cripple one of the leading industries of three or four of the States of the Union.

#### *Would Not Cheapen Coal.*

This is, so far as I can recollect, the first time that the Republican party has seriously considered ignoring the reasonable claims of large sections of the country. And for what purpose? Not to make a necessary article cheaper to the great body of the American people. No one outside of a lunatic asylum or an institution for the feeble-minded would seriously claim that the proposed legislation would have any such effect. Neither is it for the purpose of increasing the trade and commerce of the country; but, if we judge from the evidence presented at the hearings on the plea of certain Pennsylvania operators for a free Canadian field and that the Grand Trunk and Canadian Pacific railways ought not to be compelled to pay a Canadian duty on American coal, which they must have; and then there were the two

gentlemen of Maine and Boston, who, having grown rich in the pulp and paper business under liberal Protection, informed the committee of their desire to grow richer by depriving others of Protection.

We heard nothing about Canadian reciprocity in coal in the West in years past; but that was before certain American lines of railway were built into Canadian coal fields and certain great railway interests came to control Canadian coal mines.

#### **The System of Tariff for Revenue is the Same Thing as Free-Trade.**

*From the Congressional Record of April 1, 1909.*

NELSON W. ALDRICH, of Rhode Island. Mr. President, I have been in public life long enough to have heard frequently prophesies of the character which have just fallen from the lips of the Senator from Maryland. I have heard the Protective system destroyed in words at every session of every Congress for thirty years, but there never has been a time in the history of this country when that policy was so fully approved by the American people as it is at this moment.

The Senator from Maryland, if he had the disposition, as I am sure he has the ability, to construct a Tariff bill along the lines of his own theories, could not get ten votes on his side of the Chamber for his proposition. This great American policy is so strong in every section of the country, from one end to the other, from Maine to Texas, that it can not be overthrown by declamation. The hearts and the interests of the American people are wedded to the wise policy of Protection.

Years ago there were Senators of great ability sitting upon the other side of the Chamber who believed in the policy of Free-Trade or a Tariff for revenue only. I could recite names that are known in American history of men who believed in the policy of Free-Trade or a revenue Tariff. Where are they to-day? Who have taken their places in this body? The Senator from Maryland, possibly. But where is another man sitting upon that side of this Chamber who is willing to stand up and in its length and breadth defend the policy of Free-

Trade, or that of a Tariff for revenue only, which means the same thing.

Mr. RAYNER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Maryland?

Mr. ALDRICH. Certainly.

Mr. RAYNER. Does the Senator say a Tariff for revenue is the same thing as Free-Trade? It is the first time I have heard that suggestion.

Mr. ALDRICH. Absolutely.

Mr. RAYNER. If you have Free-Trade, how can you have a Tariff for revenue?

#### *Disappearing Democratic Doctrine.*

Mr. ALDRICH. A Tariff for revenue only excludes all idea or possibility of Protection, as Robert J. Walker demonstrated. A Tariff made solely to secure the greatest amount of importations destroys domestic production, and its last analysis is Free-Trade.

Mr. RAYNER. How is it possible to have Free-Trade and have a Tariff at the same time? That is what I want to know.

Mr. ALDRICH. I do not intend to discuss this question now. I shall be glad to discuss it with the Senator when the bill reaches the Senate. What I was calling attention to was that the doctrine of the Democratic fathers had disappeared and that it has no longer any advocates here or elsewhere. It is true you have some Senators in favor of reducing the duties at other places and on other articles than those which are grown or produced in their own States, but the Senators who are for Free-Trade from one end to the other of the Tariff bill no longer exist, unless I make an honorable exception in the case of the Senator from Maryland.

#### *Protection as a Part of a Great National Policy.*

I can not believe that the Protectionists of Maryland have all disappeared, even in the ranks of the Democratic party.

The interests of the State of Maryland in the Tariff are as great, almost, as those of any other State in the Union, and I think that the progressive men of Maryland, even in the Democratic party, do not subscribe to the doctrine which the Senator from Mary-

land seeks to revive to-day. I suggest to him that it is too late to do this. The American people have pronounced upon that subject by the greatest majority ever given to a successful party. Their adhesion will be given to this great national policy every time the question is submitted to them for consideration; and, in my judgment, the Senators on the other side of the Chamber are as fully convinced of that as I am. The time will never again come, gentlemen, when the doctrine of the old Democratic party in this respect will have the approval of the American people. You might as well make up your minds to join in the procession which is moving on.

The interests of Tennessee, Georgia, North Carolina, Louisiana, and some other States that I might mention, and the interests of their people are wedded to the doctrine of Protection. You might as well be frank enough to admit it now and here.

#### *This Great Protective Policy Should Be Just to Every Section.*

I do not intend, so far as I am concerned—and in this I think I voice the views of my associates on the Finance Committee—to let speeches such as that to which we have just listened deter me from being just to every interest in every Southern State. I am a Protectionist because I believe in Protection as a part of a great national policy, and no interest entitled to Protection in any State, whether North or South, East or West, shall be injured so far as my voice or vote is concerned, either in committee or in this Chamber. I am sure that the advocates of this great Protective policy intend to be just to every section of this country and to every interest in this country, and I am grateful in one sense to the Senator from Maryland for having raised the question in this form.

I am quite certain that he will have very few, if any, followers upon his side of the Chamber in his tirade against Protection. The day has passed when the doctrines and the policy which might have been applicable to the needs of this country a century ago can be revived and applied to modern conditions. So, I repeat, you might as well accept the inevitable. It is

coming, Senators, and why not admit it, and join with us in trying to legislate in a way sure to redound to the benefit of the entire people of the United States?

**Lets in the Sunshine Upon Many Industries Which Need It.**

*From the Congressional Record of April 1, 1909.*

SAMUEL W. McCALL, of Massachusetts. Whether you agree or disagree to the particular provisions of the bill, there can be no question in the mind of any man who has made in any detail a study of its provisions that it revises the Tariff downward; that it makes some great and many important reductions from existing duties, and that, as a whole, if it shall become a law upon the essential lines upon which it is drawn, it will make a greater reduction of duties upon important articles than any general law which has been enacted for a half century.

I believe that the schedules of this bill let in the sunshine upon many industries which need it. I believe that it will tend to foster the employment of American labor in the most profitable channels; that it will save labor now wasted or unprofitably employed; that it is against the interests of monopoly and in favor of the great mass of the people; and that if it shall be enacted into law it will be, on the whole, the most comprehensive and enlightened Tariff law enacted in this country in a half century.

**Does Not Understand That Kind of Republicanism.**

*From the Congressional Record of April 1, 1909.*

H. OLIN YOUNG, of Michigan. And let me say that I do not understand that kind of Republicanism which demands a prohibitive duty upon barley and hides and also free lumber and free iron ore. I do not understand that kind of Republicanism which demands a duty of 12 cents a pound on grease and dirt and 30 per cent of wool, and then, on "great economic principles," demands free lumber. For my part, I am willing to vote for full and ade-

quate protection to the wool of Ohio and to the rice of Louisiana. I am willing, if I have an opportunity, to vote for an adequate Tariff upon hides and upon coal, and I believe that there should be an adequate duty upon iron ore.

My belief in the doctrine of Protection is not bounded by the confines of my district, but extends through every part and portion of the United States. [Applause on the Republican side.] I am not one of those Protectionists who wish everything in my own district to be Protected and regard with indifference the baring of the industries of all other districts to unlimited competition. Neither do I belong to that class of Free-Traders who loudly demand Free-Trade for the country at large, and a prohibitive duty "for revenue" on peanuts, lumber, rice, or whatever their own districts happen to produce. Neither am I willing that the industries of my own district should be left like the shorn lamb, defenseless against the storm of unlimited foreign competition, while other industries are amply protected.

I hold in my hand a resolution passed by the legislature of Michigan, calling upon their Representatives in both Houses of Congress to use all honorable means to cause a restoration of the duty upon iron ore. I will not take the time of the House to read it, but I will insert it in the Record.

**The Life Blood of an Industrial System.**

*From the Congressional Record of April 1, 1909.*

JAMES A. HUGHES, of West Virginia. Our hope for future prosperity is centered almost exclusively in this coal industry of the State. Fully 90 per cent of our people are dependent, directly and indirectly, upon our coal business. It is the coal operator that our merchants, wholesale and retail, must go to in order to find a purchaser for their merchandise. It is to him the farmer goes to sell his little surplus. Our railroads will go into receivers' hands if our mines are crippled. A blow to the coal mines injures every industry in the State. When the mines are prosperous, all of our people are active and employed; when that

business is depressed every industry we have feels the paralysis. It is the lifeblood to our whole industrial system. No State in this Union is so dependent upon one industry for its commercial success as West Virginia is dependent upon that of coal.

### The Fathers of the Republic Were Protectionists.

*From the Congressional Record of April 1, 1909.*

C. BASCOM SLEMP, of Virginia. As a Southern Republican in hearty accord with the policies of my party, I desire to address myself to some practical observations on the pending Tariff bill and the interests and issues involved in it, with special reference to its application to the South.

In so doing I wish to detail at some length and with some particularity what may seem to many the surprising industrial development which that section has of late attained, and to call attention to the radical change that has quietly and almost imperceptibly taken place in the sentiment of its people on the subject of Protection as a prime principle of business and economic policy. In that connection, I desire to set forth earnestly the propriety and necessity of a continuance of that policy, especially as to those industries which are identified with the production of raw materials. Incidentally, I wish to show by a brief sketch, that such a continuance will promote and confirm that militant sentiment which is now operating in the South in behalf of a broad Protective policy, since it can not fail to quicken in the minds of the good people of the South a fuller appreciation of the historic and consistent relation which that policy bears to the South as a part of our common country, to its proudest memories and traditions, going back to the beginning of the Republic and extending over four decades thereafter, when the South took the lead in our national councils and in the conduct of our national policies, with the noble commonwealth of Virginia in the very forefront of service, responsibility, and distinction.

#### *Early Southern Statesmen for Protection.*

Historically, the principle of Pro-

tection to American industry may be said to have had its origin in the South, and the adoption of that principle as a measure of fundamental national policy was effected primarily through the instrumentality of statesmen from the South. Beginning with the first Tariff law enacted by the First Congress at its first session, the initial basis for the practical conduct of our newly founded Government in the sense of a truly independent nation, in fact, approved by President George Washington with zeal, gladness, and alacrity—significantly so—on July 4, 1789, the thirteenth anniversary of the paper Declaration of Independence, the fathers and founders of the Republic, both North and South, seem to have had no more disagreement as to the aptness and soundness of the principle of Protection to American industry than they had as to the soundness of the principle of self-preservation.

The Members of that First Congress, in House and Senate, who had been largely members of the Constitutional Convention of 1787, which framed the great guiding instrument under which we live, and President Washington, who had presided over its deliberations, may safely be assumed to have known what they were about when they formulated and signed the first revenue act under that Constitution. If there had been any possible question or scruple as to the propriety and constitutionality of a Tariff levied for Protection, it would have been there expressed and developed. But not a whisper, not a syllable, of protest was uttered or heard upon that point, and the reason and object of the act are boldly and simply stated—so simply that a child may read and understand:

For the support of the Government, for the discharge of the debts of the United States, and the encouragement and Protection of manufactures.

Subsequently, from that time onward during the sixty fateful and formative years that followed that historic enactment, of the seven illustrious and duly elected Presidents which the South contributed to the Union—Washington, Jefferson, Madison, and Monroe, all of Virginia; Jackson and Polk, of Tennessee, and Taylor, of Louisiana—all save Polk were earnest and consistent advocates of



the policy of Protection, and assisted to the full extent of their power in effectuating that policy as the law of the land.

*Early Southern Statesmen Thought Protection Constitutional and Satisfactory.*

In none of the expressions quoted of the earlier Presidents from the South do we find any distrust on their part of the principle of Protection, no hint of dissatisfaction with its workings, no suggestion for a repeal of the Tariff laws, and no intimation of a need for their modification except to give them a more "prompt and constant guardianship" and to assure "additional Protection to those articles we are prepared to manufacture." Indeed, in Madison's elucidation we find a complete and perfect answer to that later school of statesmen in the South, under the leadership of Mr. Calhoun, who developed the strange and divergent theory that Tariff duties levied for purposes of Protection, aside from mere revenue, were unconstitutional. Even Mr. Calhoun, in the earlier days of his statesmanship was a vigorous Protectionist. It was at a later date that, intent with a marvelous concentration upon the perpetuation and exploitation of slave labor—in the righteousness and fitness of which he implicitly believed—he invented and perfected with almost superhuman ingenuity that system of economic and political doctrine which embraced as cardinal factors inseparably bound together, human slavery, State rights, nullification, secession, and Free-Trade.

*Protection Impartial as Between Sections.*

A true and correct economic principle, such as that underlying the policy of a Protective Tariff to a country situated and constituted as is the United States, is abstractly and immutably true at all times. It is automatic in its action. It is uniform and impersonal in its application, like the principle of gravitation, or that mysterious law of physics that holds the planets in their courses. It is impartial in its operation, like the sun and the rain, shining and falling upon the broad earth, with its hills and valleys and plains, without distinction of artificial boundary lines between townships,

counties, and States. Once true, it is always unchangeably true, yesterday, to-day, and forever. Provided conditions remain the same, the lapse of time makes no fundamental difference. The passage of a day is as a thousand years, and a thousand years are as one day. With it—

An age shall fleet like earthly year;  
Its years as moments shall endure.

The value of the policy of Protection to domestic industry in all its forms was demonstrated in the South at the beginning of our history as a nation, and its value during the past three decades, and especially to-day, I shall proceed presently to show. A Protective Tariff was beneficial in the days of Washington, of Adams, of Jefferson, of Madison, Monroe, Jackson, and Taylor. It has been beneficial under all Republican Presidents—and they have all been Protectionists—from Abraham Lincoln to William H. Taft. [Applause.]

*South Returning to Protection.*

The full realization of the truth of this reflection is gradually dawning upon the progressive people of the South. Traditions of the olden time still linger, and prejudices begotten of suffering and loss are difficult to remove. But they are steadily wearing out and are being forgotten. And already it is growing clear to the people of the South that, in turning from the bitter memories of the past generation and adopting the approved economic principles of to-day they are in reality only getting back to the safe and beaten highway which their immediate fathers had left, but which their grandfathers and great-grandfathers had trodden. The sound and successful economic principles of this present hour are precisely those of the founders and builders of the Republic, as I have shown, and in following these we are simply availing of the heritage established and bequeathed to us and to our children's children from the beginning of our National Government.

Let the dead past bury its dead. Over the issues of the past let us draw the veil. While we of the South revere the memories of our gallant confederate soldiers—in the care of whose graves the North now magnanimously shares—whose valor was demonstrated upon and whose blood christened un-

numbered battlefields, yet we are proud to-day to take our place among our sister States in the glorious Union, one and inseparable. We of the South have set and are setting our faces cheerfully and hopefully toward a brighter day, and the new industrial era that began in the South in 1880, under Republican economic policies derived from the wisdom of our forefathers, is growing more splendid and wonderful each year, evoking expressions of astonishment and delight from those who witness its visible manifestations.

This is our time of thrift, of commerce, of art, and of science, And Nature, our nursing mother, healeth the hurts of war.

### *Republican Gains in the South.*

This growing demand for Protection in the South is reflected in the recent national political contest, in which the principal gains made by the Republican party were in the South. Examining the results of that contest, we observe that Republican gains were registered in eight Southern States and Democratic loss sustained in eight Democratic States. Three Republican Congressmen from North Carolina, two additional Republicans, and some from Missouri (one of whom was formerly a Democratic Representative) are here for the first time to advocate the cause of Protection, not only for their own districts, but as a great American national policy.

It does not require a great stretch of the imagination to suppose that, sooner or later, a broader vision will come to these gentlemen, and that they would have Protection not alone for their State products, but would also apply this Protection nationally and have Protection for all American products. We no longer hear from the South that Protection is robbery, as declared in a recent Democratic national platform, but we do hear about the inequitable distribution of the benefits of Protection. Horned Protectionists and robber barons may be stalking through the land with evil designs against all mankind, but since we have entertained a few of them in the South, others are cordially invited to follow. We do not feel quite so unfriendly to our Northern neighbor who puts his money in a Southern factory,

gives employment to our laborers, and a home market for our farm products, as we did when, forty-five years ago, we were trying to keep him out of Richmond. President Taft aptly said, in Atlanta, January 18, 1909:

The man who is prosperous and successful forgets his traditional enmities and causes of bitterness and yields easily to the conciliatory advances of his neighbors.

### *The Southern Democratic Congressman's Dilemma.*

And when our good Southern people themselves try the same experiment of building a factory—and many of them have done so—and a revision of the Tariff is announced, forthwith they write their Congressman, usually a modern-day Democrat, and ask him for Protection, I imagine they get a reply something like this: "You know I am a Democrat and have made speeches all my life against the Protective-Tariff principle. But I must confess that my views have undergone some change, and I now have 'Protection proclivities' for products in my own district. What you demand is contrary to our Democratic platform declaration, but is essential to us locally, as a business proposition. Without appearing to be inconsistent, which really I am not, I believe we can get the desired Protection by a duty, apparently for revenue only, or one simply for competitive Protection. I have never had opportunity publicly to favor this sort of Protection, because, during campaigns when, in order to preserve the purity of our race, I have given exclusive attention to the 'negro question.'"

We realize their political dilemma, and while their inconsistencies may be amusing, yet I feel they ought to be pitied rather than censured. But why should the cry of our Southern interests for help in the way of fostering Protection be lost to the ear of the great Republican party because, forsooth, that call has had to come mainly through Democratic channels? The Republican party has a great opportunity to do a just and magnanimous act, the effect of which will be not only life-giving to these industries and uplifting to a great Nation, but the consequence of which will be far-reaching to the advancement of

the benign policies of our party among these people.

### The Excellent Work of the Committee on Ways and Means.

*From the Congressional Record of April 2, 1909.*

WILLIAM G. SHARP, of Ohio. Mr. Chairman: I have listened with deep interest to the many able addresses upon this important subject of the Tariff during the past three or four days, and I but follow the precedent established in not a few of these speeches, but with no less personal sincerity, I trust, in congratulating the Committee on Ways and Means for the excellent work and the conscientious discrimination that it has put upon this important measure. I believe also that not only the thanks of this body but of the entire Nation, is due to these men who met here hour after hour, day after day, through many weeks last fall and laboriously worked through this great tangled mass of evidence which we have at present before us, and I can not let the opportunity pass without taking occasion to specially comment upon the labors of the chairman, the gentleman from New York [Mr. Payne], and the minority leader, the gentleman from Missouri [Mr. Clark], on this side of the House, who, not only in their work on the committee, but also in their most exhaustive speeches on the floor of the House, have done so much to explain in detail the important provisions of this bill.

### The Issue Between the Republican and Democratic Parties.

*From the Congressional Record of April 2, 1909.*

WILLIAM RICHARDSON, of Alabama. The real issue presented by this Tariff bill is, Shall the policy of Protection for Protection's sake, for the benefit of special and favored home industries, be continued in our country? In its last and true analysis the Republican party in this bill and every Tariff law enacted by that party has stood for and stands now for this doctrine. If a duty for Protection of a home industry incidentally

or otherwise produces revenue, the Republican theory is that the imposition of such a duty was not for revenue, but it was to prohibit foreign competition with a particular home industry. The Democratic party contends that every Tariff duty imposed should primarily be for revenue, giving such incidental Protection between the actual and honest cost of labor at home and abroad. That is the issue on the floor of this House now between the Republican and Democratic parties.

### A Tariff for Prosperity, Happiness and the Advancement of Our People.

*From the Congressional Record of April 2, 1909.*

JOHN M. REYNOLDS, of Pennsylvania. I am glad to say that the great industrial center which I represent, in its railroads, mines, steel and iron works, and its agricultural interests, view the task before Congress as a work in hand, in response to the demands of the country and the pledges of the respective political parties, and that the Congress has undertaken the execution of this trust with a conscientious desire to respond to the sentiment of the different sections of our country in an effort to adjust rates in harmony with the general welfare and the needs of individual interests and communities, to the end that no growing and important industry in the Nation's development shall be imperiled and that the consuming public shall not be unduly burdened. In harmony with this sentiment, it is essential that the task be approached in the spirit of concession and compromise, for otherwise, Tariff legislation will be impossible in a domain stretching from ocean to ocean, with every variety of soil, climate, and production, with industries so diversified over a wide expanse of territory, in which the matter of transportation is an element of such transcendent importance as here.

In anything I may have to say I shall try to keep out of the realm of theories, leaving the course of our industrial development and the general happiness and advancement of our people as living and eternal witnesses

to the wisdom of the policy of Protection. The opposition, our friends on the other side of the House, while conceding the necessity of raising revenue by duties laid upon imports, through long years have wavered over terms and policies, often ignoring conditions for theories, standing one time for Tariff for revenue, next for Tariff for revenue only, then for Tariff for revenue with incidental Protection. If to them the term "Protection" is a hated word, and the line of demarcation be drawn at this day between "Tariff for Protection" and "Tariff for revenue," I may confidentially ask at this hour, when theories play such an unimportant part, that we meet upon common ground and enact a law which we shall call a "Tariff for prosperity." But I remind you, so you may not be deceived, that in the Republican nomenclature it will be classed as "a Tariff for Protection." [Applause.]

#### *Has Vindicated Its Claim.*

The Protective-Tariff system has vindicated its claim to be the permanent policy of this country. It has placed the farm and the factory side by side, furnished a remunerative market for the products of the former, and thereby promoted and sustained the interests of agriculture. It has provided for our people work and wages, homes and education, and all the comforts of life, and falsified all the doctrines of Free-Traders since the days of Richard Cobden. It has kept the balance of trade with us and demonstrated by experience that under low Tariffs that balance has been against us. It makes the home market our own and sustains our industrial strength, cheapens the products to the consumer, diversifies our industries, thereby employing our capital and labor and furnishing opportunities for the brain and energy of every man seeking employment.

Yes; as has been well said, it has given our laboring people homes and land and filled them with hope for themselves and their children. In Great Britain and Continental Europe the scant wages of the workingman leaves to him intemperance and pauperism as his only refuge, whereas from the conclusions of the Mosely commission, composed of officers of the

leading labor unions of England, which visited the United States in 1902, we were proud to note the statement that the American workingman was better paid, better clothed, better housed, and withal infinitely more sober than his British neighbor. [Applause.]

#### **Protection Has Earned Its Right to Respect.**

*From the Congressional Record of April 2, 1909.*

J. HAMPTON MOORE, of Pennsylvania. The district which I represent in this House has not left unimproved a single acre of ground, save public parks. Almost every foot of it has been built over by industrial establishments, warehouses, stores, and dwellings. There is not an item in this bill which does not in some way affect these interests.

We believe in helping the planter, for we take his raw material and fashion it in our mills. We believe in assisting the farmer, for we take his grain and his produce and use it upon our table. We believe in assisting every section of the country, for the product of each goes into this district, where it is woven in form for the consumer in the South, in the East, and in the West.

Verily, he who would ennoble life upon the farm can not afford to quarrel with the maker of his tools. As one advances in the social scheme so the other does. Each is a producer of the Nation's wealth; each is a consumer of the wealth the other produces. The farmer may not withdraw from the wage-earner lest he lose his market; the wage-earner can not withdraw from the farmer lest he lose his market. If the evil day shall come when one shall fail to know the other, the farmer may survive the winter, but the unemployed will overrun his fields or starve. From that community of interests into which the fortunes of the farmer and the industrialist have been interwoven there can be no severance, except the institutions they have jointly reared shall crumble and decay.

Protection has earned its right to respect. It has worked for us in our own land. It has been watched and emulated in others. Its benefits have

reached the remotest hamlet; its burdens, if any, have been imperceptible. It has raised the standard of American life. A producer of revenue, it has relieved the people of direct taxation. As a national system it has worked well, and upon reasonable lines it should be continued.

I speak as a Protectionist who believes in his own land and the advancement of his own people. If the standard of living in other nations be not so high as ours, the bars should rise until the foreigner is our equal with regard to men and with respect to materials. We may accept the other nations at our standard, but we can not consent to be dragged to theirs. We can be fair, we can even be generous, but nowhere in human philosophy is it written that we shall neglect our own firesides to become the almoners of the earth.

### The South is Rapidly Changing its Views on the Tariff.

*From the Congressional Record of April 2, 1909.*

JOSEPH E. RANSDELL, of Louisiana. The South has a deep interest in the Tariff. It has not secured financial returns from the Protective features of the system equal to those sections of the Union largely engaged in manufacturing. Nevertheless, it has many industries which are affected.

The Tariff is well described as a local issue, and a man's views thereon, be he Democrat or Republican, are very much influenced by his surroundings. My State has so many industries—salt, tobacco, rice, sugar, lumber, and so forth—which receive benefit from the Protective features of the Tariff that most Louisianians lean somewhat toward that policy, and, in my judgment, the South is rapidly changing its views on this subject. It is gratifying to note, however, that the principal Louisiana products included in the pending bill are large revenue producers, and defensible from the extreme Democratic view of a Tariff for revenue only.

Lincoln once said:

I do not know much about political economy, but I do know that when we purchase a ton of steel rails from Great Britain for \$100 we get the rails and Great Britain gets the money, and when

we produce the rails from our own mines and in our own mills, we have both the money and the rails.

[Applause.]

Now, surely the latter condition is much better than the former, and it seems right and proper to assist in procuring and maintaining it by wise Tariff enactments whenever possible. Partly as the result of such laws, we have for years been producing "our own rails from our own mines and in our own mills," and innumerable factories of every kind and sort have sprung up and prospered in such manner as to make the United States the richest and most marvelous commercial nation on earth. [Applause.]

### Republicans Should Stand By the Party.

*From the Congressional Record of April 2, 1909.*

JAMES F. BURKE, of Pennsylvania. The gentleman and his party are given to the prediction of winning more political victories six months in advance than any other political organization that ever brought men together in the bonds of political brotherhood. The only difference between their party and ours is that they predict and we fulfill. [Applause on the Republican side.] He claims, also, in reply to a query from the distinguished gentleman from Ohio [Mr. Keifer], that the last Republican President stole a part of their platform. I, sir, congratulate the Democratic party that at any time or at any place it wrote anything worth stealing by anybody. [Applause on the Republican side.]

And, again, he says: "Come back! Come back! Come back!" Why, that is a familiar cry from them. The Democratic party has been crying "Come back! come back! come back!" for half a century. The difference between them and us is that we cry: "Come forward! Come forward! March onward instead of marking time!" [Applause on the Republican side.]

It is not unnatural or unprecedented in political history that the minority party should indulge in the widest and wildest criticism of the measure framed by the majority; but a conclusive answer to it all is furnished

by the fact that with all their talents they have hopelessly failed, through sheer inability, to offer in any crystallized form any substitute measure for the one now under discussion.

In fact, if 24 Republican Members were to be ill or absent on the day the final vote is taken on the Tariff bill, the Democratic party would be without a remedy except to vote down the proposed measure and go back to the Dingley bill until the scattered and discordant forces of Democracy could frame a new bill, which from former experiences would carry us into the period of the next congressional campaign. [Applause.]

### *Stand By the Party.*

Nothing, therefore, can justify us as Republicans in turning our backs for a moment upon our party and joining with that diametrically opposite element of the Democracy, and thus not only delay, but ultimately defeat, the expressed desire of the American people that the Republican party as a united national body should frame our revenue legislation for the next decade.

From Monday on our watchword should be "Action!" Let voices cease and votes begin. The mines, the mills, and the men of the Nation await our verdict. The great industrial world tells us every day that while many tongues are busy here, many hands are idle there. Let congressional discussion end that commercial development may begin. Let us conclude the roll call on the bill and begin the roll call in the mill.

Let us cheer the hearts, gladden the eyes, and strengthen the arms of the waiting millions of enterprising Americans who are more eager to-day than in all the hopeful hours of history to add to those substantial achievements for which the American character and the American Republic are famed and respected by the toiling, thinking people in every corner of the globe. [Applause.]

### **Nothing Is Cheap When a Man Has Not the Money to Buy it.**

*From the Congressional Record of April 2, 1900.*

ARTHUR W. KOPP, of Wisconsin.

My plea for a high wage for the workingman is not necessarily that he may acquire wealth, as much as I should like to see him do that, but that every American workingman, whether in the East or in the West, the North or the South, may receive such a wage that he may keep his little family about him, that he may feed them well, dress them decently, educate them thoroughly, and bring them up to Christian manhood and womanhood.

The 391 Members here are looking after their various districts and the interests which affect their people. The statesman who years ago declared that the Tariff was a local issue was ridiculed, but subsequent history has shown that he was right. Each Representative is, in effect asking Congress to Protect his producing industries, but to place the lowest possible rate on what he consumes. Of course this Tariff bill must be created by giving and taking and doing that which seems best for the greatest number of people. As the gentleman from Washington [Mr. Cushman] stated the other day, the barometer of prosperity is not the cost price of articles, but the wage scale. Nothing is cheap when a man has not the money to buy it, and nothing is dear when a man has the price.

Universal prosperity will only come when the great laboring class who are creating the wealth of this Nation are employed twelve months of the year at an ample wage. The laboring man when he is thus employed keeps up his home, educates his children, and contributes to the general good of the country. While he is idle, the contrary is true in each case.

My special plea is for the zinc miners, but while I ask Protection for them I also ask for Protection to all industry employing labor which is met with undue competition from abroad, whether it be the mine, the farm, or the factory.

I realize that many claim that Protection is needed when such is not the fact; but whenever the conditions are such that a producer can not make his product by paying a good wage to his workmen and leaving a reasonable profit for himself, by reason of the cheaper cost of production elsewhere, I am in favor of Protecting that industry and giving to it a Protection

equal to the difference in the cost of production here and abroad, giving due consideration to economic conditions and difference in the efficiency of labor.

I trust that the provision with reference to zinc ore will pass the House in its present form.

### Why Carry Out Democratic Promises?

*From the Congressional Record of April 2, 1909.*

FRANK D. CURRIER, of New Hampshire. Why should a Republican Congress single out one great industry and make it the sole exception to the rule laid down in the Republican platform? The Democratic platform indorsed this policy, but the Republican platform did not. Why ignore our party pledges and carry out the Democrats' promises in this case? There is no excuse or justification for it. Oh, some of the newspapers want this done. I have never believed in the policy of destroying one industry that some other industry might make a little more money.

In my belief, the men who are clamoring for free print paper—and a \$2 duty is practically equivalent to that—will be greatly disappointed should they get this legislation. Do they think the paper mills of Canada will be conducted with any regard for the welfare of American newspapers?

### Protection To Every American Industry.

*From the Congressional Record of April 2, 1909.*

JOHN W. LANGLEY, of Kentucky. In reply to my friend from Alabama, I have no hesitancy in saying that I am unwilling to have the present Tariff removed from lumber. If my friend [Mr. Sisson] will give me the time, I want to say that the reason I am unwilling to have that Tariff removed from lumber is that I believe in the American doctrine of Protection to American industries and American labor, and I am glad to have this opportunity to say that. [Applause on the Republican side.]

I do not believe the duty on lumber ought to be reduced to \$1. Instead of that, I should like to have it increased if I could.

A MEMBER. What about free hides?

Mr. LANGLEY. I am opposed to Free-Trade in everything that we produce. I am in favor of Protection to every American industry.

### A Southern Republican Objects to the Bill as Not Sufficiently Protective.

*From the Congressional Record of April 3, 1909.*

RICHARD W. AUSTIN, of Tennessee. I represent on this floor a district in Eastern Tennessee that for sixty years has cast a vote on this side of the House of Representatives for the Protective-Tariff system. That district in McKinley's campaign gave a majority of 18,600 for Protection. The people of that district believe in the Tariff doctrine of Henry Clay, of Kentucky. They believe in the same Protective-Tariff policy which was advocated upon this floor by the lamented William McKinley; the same Protective-Tariff policy which was so ably urged and indorsed here by William D. Kelley—"Pig Iron" Kelley—of the great State of Pennsylvania.

Mr. Chairman, the Payne bill as it now stands is not a true Republican Tariff bill. It is false to the teachings of Henry Clay, "Pig Iron" Kelley, William McKinley, Dingley, and the previous professions of the chairman of the present Ways and Means Committee. Its enactment into a law without amendments would not only close down hundreds of mines, furnaces, and sawmills, throw thousands out of employment, but reduce the freight business of our Southern railroads 30 per cent, and the reduction of the operating force and wages upon every transportation line in the South.

It would rob the National Treasury of a present revenue on Canadian coal and lumber, Cuban ore, and foreign pig iron of over \$2,000,000. In the face of these facts, we are told a new Tariff is needed in order to raise additional revenues. It proposes to place a tax upon every American user of

tea and coffee, articles we do not produce, and for which we need no Protection. If "Jim" Hill, of the Great Northern Railway, desires to increase his tonnage on British Columbia coal and lumber and to find a new market for his foreign mines at the expense of Montana, Washington, Utah, and Wyoming, I protest against its being done at the expense of our National Treasury and upon the ruins of our now prosperous Western and Southern industrial mining centers.

If this bill is not amended in line and in harmony with all previous Republican Tariff bills, I intend to vote against it. I would do this if I had to stand alone on this side of the Chamber. [Applause.]

### *Why Go to Canada for Lumber?*

I ask the distinguished chairman of the Committee on Ways and Means to tell us why we should go to Canada for lumber, why go to British Columbia and Nova Scotia for coal, or to Cuba for iron ore, when we have all these materials in abundance in the United States?

We bought last year \$418,264,000 worth of foreign-made articles. Every one of the articles included in the list could have been manufactured in America. We shipped across the Atlantic Ocean from Memphis, New Orleans, and Savannah so-called "raw" material in the way of cotton. The English people at Manchester and other points made it into cotton goods, reshipped it across the Atlantic Ocean, and sold in this country \$64,379,000 worth of cotton goods, and the American consumer paid the freight both ways and also furnished employment to thousands of mill operatives in England. Now, gentlemen on the other side talk a great deal about entering the foreign markets with American-made goods. The able Representative from California [Mr. McKinlay], I think, satisfied every one the other night that it will be only a question of a short time when the Japanese will supply the entire cotton and other markets of the Orient. There is no possible chance of the American people ever occupying or filling the European market. I want to say, after an official residence of over a year in Europe, where I had

an opportunity to personally examine 6,000 consular invoices, that, on account of the high wages in this country and the exceedingly low wages and immense overpopulation in all European countries, the American manufacturers are never going to be able to sell in the same European markets with the English, or the Scotch, or the German, or the French.

### **There Would Be No Dishonor if the South Should Favor the Policy of Protection.**

*From the Congressional Record of April 3, 1909.*

MILES POINDEXTER, of Washington. Now, gentlemen of the South, it is all very well for you on your side to deliver your orations upon the academic theory of a Tariff for revenue which you read and learned from the pages of the orations of your great statesmen that lived before the war when different conditions existed, when you had slave labor, when the South was purely an agricultural country, and when you had no manufactures. Now you have different conditions. You have a cotton crop which you ship every year to England to manufacture and bring back to sell at our own doors. There would be no dishonor in the South or in the Democratic party if it should favor a policy which would enable that great section, which in my judgment in the not distant future will be the richest section of the Union, to manufacture the products of your agriculture on the ground where they are produced. [Applause on the Republican side.]

You have the greatest harbors in the world, and with the proper enterprise, if you had the ingenuity, if you had what the English call the "open mind" that these New Englanders have, who have been declaring for Protection generation after generation, when conditions have changed, so that they desire low Tariffs or Free-Trade in certain articles, you could accomplish much. They come like business men and ask for it and make a campaign to get it. If you want and need Protection, why can not you throw away the outworn doctrine—

Mr. HEFLIN. Will the gentleman permit an interruption?



Mr. POINDEXTER. Yes, sir.

Mr. HEFLIN. The gentleman speaks about the South. Does not the gentleman believe if steel rails were cheaper and cotton factory machinery were cheaper, we could have built up the South more rapidly than we have under the high prices?

Mr. POINDEXTER. No, sir; I do not think you could have built it up as rapidly as you have. Whatever you have done there, and you have accomplished wonders, has been done under a Republican Protective-Tariff. I do not think things were ever so stagnated in the South as they were under a Democratic Tariff. I do not say it was due to that, but certainly the Democratic Tariff did not benefit the situation any. [Applause on the Republican side.]

### The Republican Party Needs No Apology for Supporting the Policy of Protection.

*From the Congressional Record of April 3, 1909.*

CHARLES E. TOWNSEND, of Michigan. I have been sitting here for the last three weeks listening to the dire threats of disaster and to the awful pictures of calamity made by our Democratic brethren, disclosing the condition of the country in case this bill should become a law. I have heard them in one breath laud the sentiment of nonpartisanship, and then I have never in all my experience seen such drastic measures to keep men in line as have been used by leaders on that side. I would have perhaps some fear of the result of the enactment of this measure, based upon the statements of Democratic orators, were it not for the fact that the same statements which they have made now they have made for several years heretofore, and they were made very recently in the campaign of last fall, and the result has certainly been very satisfactory to the Republican party.

The Republican party does not have to make any apology for having supported that theory of political economy which believes in building up American industry, and at the same time securing from those industries, or securing rather from the goods which

compete with those industries, the ways and means for supporting the Government of the United States.

So, Mr. Chairman, we contend that that is our principle; and, my Southern friends, that is the principle which ultimately you must adopt. Since I have been here I have seen many of you come gradually over to the notion of Protection. You may rail and condemn the men on your side who shall vote for the special interests of their districts, but the principle of Protection is abroad in the land, and you have got to adopt it.

### *The Whole Southland Has Profited By Protection.*

There is scarcely a district in your whole great Southland which has advanced greatly during the last few years but what must attribute the cause of this advancement to the fact that it has encouraged within its midst the great manufacturing interests which ought to be established there and which are more and more locating in its midst.

So I say that principle has come to stay. There is no question about it. The gentleman who has just spoken said he was in favor of a Tariff for revenue only. He admitted that the Government must be largely supported by duties on imports, but I did not hear him mention a single item upon which he would place a duty. I submit it as my honest opinion that the Committee on Ways and Means could not have inserted one single item in this bill that would not have been subject to attack by gentlemen on that side, because their position is one of opposition. Where are you going to raise the revenue for meeting the expenses of the Government? You are equally responsible with us for those expenses. I notice that there is no partisanship when it comes to the distribution of money out of the Public Treasury; each individual here is looking to obtain as much as possible for his district.

### Prosperity Depends Upon Good Tariff Legislation.

*From the Congressional Record of April 3, 1909.*

ELMER A. MORSE, of Wisconsin. It

is very generally known throughout the country that the most important legislation enacted by Congress is the Tariff legislation. That is the way in which the Government raises the major portion of its revenues; that is the source from which the life-giving stream of yellow gold emanates.

Tariff legislation is important, because the prosperity of the Nation depends upon it. The wages of our laboring men, the education of their children, the very life of the Nation, industrially, depends upon the Tariff legislation. We might almost say that the prosperity, happiness, and well-being of the entire Nation is dependent upon the skill with which Congress enacts Tariff legislation.

A good bill means prosperity to all; a poor bill means misery, suffering, poverty, and degradation.

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### The American Farmer Believes in the System of Protection.

*From the Congressional Record of April 3, 1909.*

ASLE J. GRONNA, of North Dakota. The time may not be far distant, when we shall produce no more wheat than we need for home consumption. When that time comes the American farmer will demand a Protective duty on wheat, and I therefore want to see the duty of 25 cents per bushel retained in this bill. It is true that that time may be some years in the future, but we must remember that we do not pass a Tariff bill every year. The Dingley law has been in effect for twelve years, and if it is found that the present bill will make a good law, which I hope and believe that it will, it may be allowed to remain on the statute books for twelve years or more.

The principle of the maximum and minimum Tariff seems to me to be pre-eminently sound. We levy the duties necessary to protect our industries, and so long as other countries treat us fairly their products enjoy these rates. If, however, they discriminate against our products, then the maximum rates are to be enforced against their products. As a matter of self-interest, they will accord us the same treatment as they do other nations, so far as this is possible in

view of treaties that may exist with other nations. Because of the fact that there may be treaties existing between other nations that can not be abrogated for some time, perhaps years, but which do not particularly affect us, I believe that it will be well to change the manner of applying the maximum rates, in order that we may escape applying them to a country that perhaps is admitting all of our products on the same basis as those of other nations, with the exception of a few unimportant articles.

The American farmer believes in the Protective system. Although he has borne as many of the burdens of Protection as the man engaged in any other industry and has received less direct benefits from it than manufacturers have, he has borne this burden uncomplainingly. He is still willing to bear his part of the burden, but he also wants some of the benefits.

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### Under Protection the American Nation Has Grown from Lusty Youth to Vigorous Manhood.

*From the Congressional Record of April 3, 1909.*

JOSEPH HOWELL, of Utah. Mr. Chairman, in order that my attitude on this matter may be entirely understood; in order that the doctrine of Protection, as I view it, may be appreciated, I desire to say that the national view point is the only view point from which I care to look at or observe the doctrine of Protection; and the test, which in my weak way I shall apply to every Tariff measure, which comes before the House for consideration and adoption, is this: Will the proposed measure tend to promote, directly or indirectly, the growth and power of this Nation? Will it promote the industrial prosperity of the people? Is it fair, just, and equitable in its provisions? Will it tend to make these United States better able to carry out the high destiny which an All-Wise Providence has marked out for it? If it will in the main meet these conditions, then I am for the measure.

Acting under a policy which I shall not condemn, Congress has seen fit to extend to the struggling people of our

island possessions and to Cuba all possible aid and assistance, commercial and otherwise. Accordingly, trade with the United States has been made practically free, and the labor of the Tropics has met American labor in the open field. The result, gentlemen, has not been altogether happy. It has not materially assisted the farmer to know that ethically he was doing a fine thing. He may, sir, have secured from his experience a moral uplift, but he got no bread for his children. The situation at times has been most discouraging, and fortunate has it been that the changes have come gradually.

Those who preach and believe in a Tariff for revenue purposes are, of course, Free-Traders. A pure revenue Tariff contains, of course, no provision at all for Protection, nor is this purpose contemplated. But, on the other hand, the Tariff for Protection is expressly framed for the purpose of fostering and encouraging home production. The question of revenue, under such a Tariff, is secondary.

If the Protective Tariff has given us the steel trust, it must also have given to us the steel industry. It must have given to us the wonderful development in coal and in iron as the necessary accompaniments of that trust. If the Protective Tariff has given to us the sugar trust, it must have given also to us the great sugar refineries; it must have given to us a market for the crude sugar; it must have given to us a market for the planter's cane and the farmer's beets. It would seem, gentlemen, that you might better have placed your objections to the Protective Tariff on other grounds.

The doctrine of Protection is not a stranger to this House nor to this people. It attended and waited upon the birth of this Nation, and it has grown venerable in our service. Always on the side of those who contended for a great and strong nation and government, it has on more than one occasion led its supporting hosts to victory. The young Republic was scarcely born before its widening eyes found their earliest vision filled with the sturdy figure of Protection; and from that day until the present that form and that face have always filled

the forefront of the Nation's progress. Under the wise and kind guidance of Protection the American Nation has grown from lusty youth to vigorous manhood. It has expanded its power and strength until, like the little rock that Daniel saw cut from the mountain without hands, it bids fair to roll forth until it fills the whole earth. Under its benign influence and direction our trackless forests have become fertile fields, our cataracts have become harnessed giants, our turbulent and uncontrolled rivers have become broad highways of commerce, and where was council fire there now is the roaring blast of the furnace. We have cattle upon a thousand hills, and the desert has indeed been made to blossom as the rose. [Loud applause on the Republican side.]

### Southern Democratic Approval of Tariff on Lumber.

*From the Congressional Record of April 3, 1909.*

EATON J. BOWERS, of Mississippi. I have always regarded the present duty on lumber as defensible as a revenue duty. Ever since 1899 the imports of lumber and other forest products have been steadily on the increase. Immediately following the enactment of the Dingley law there was a temporary cessation and considerable falling off of lumber imports; but beginning with the year 1900, importations were stimulated and have increased steadily since. I have caused to be prepared by the Department of Commerce and Labor some figures showing the amount of lumber and shingles imported into the United States from the British-American possessions, which I shall place in the Record at the conclusion of my remarks, and to which I direct attention. The estimated ad valorem upon the imports from this territory was, based upon prices in 1908, 10.70 per cent. Can it be said that a duty which is less than 11 per cent ad valorem and which yielded a revenue of \$3,650,000 is not a revenue duty? [Applause.] Can it be said that such a duty is not justified either by the imposts and burdens that are laid upon the business or by the amount of money which it yields for the support

of the Government as well? [Applause.] Certainly, when both propositions are considered, it can not be contended that the duty on lumber is either Protective or prohibitory, or that the revenue which it produces is so small and unimportant in amount as to be lightly considered when determining how we should raise governmental expenses. This bill cuts the duty in half, making an ad valorem duty of  $5\frac{1}{2}$  per cent, certainly a revenue duty; and yet it is proposed to destroy even that. [Applause.]

### The Beet Sugar Industry Largely Dependent upon Protection.

*From the Congressional Record of April 3, 1909.*

JOSEPH H. GAINES, of West Virginia. Our Democratic friends take great pleasure in referring to the fact that even under the Republican party and under a high Protective law the country has witnessed a panic. However, every member of the Ways and Means Committee discovered very soon after we had begun our hearings last fall that the depression, which was world-wide, was less severe in this country than anywhere else in the commercial world, and that the conditions which precipitated it not only did not originate in America, and not only were not in any sense due to the Dingley Tariff act, but that, originating elsewhere, the Dingley Tariff law delayed the beginning of the depression in America and mitigated the severity of its operation in this country.

Mr. HARDWICK. Does the gentleman from West Virginia think we have lopped off enough of the duty on refined sugar to affect the sugar Trust?

Mr. GAINES. "The gentleman from West Virginia" thinks that we have lopped off all the excess duty on refined sugar that could safely be taken off without threatening the American beet-sugar industry, which the Republican party determines to foster in this country, if it can. [Applause on the Republican side.] The difference between the gentleman from Georgia

[Mr. Hardwick] and "the gentleman from West Virginia" is this: The gentleman from Georgia looks always with suspicion upon the effort to develop any great American industry here by the policy of Protection, and "the gentleman from West Virginia" looks without suspicion upon that attempt.

My investigations, and I think any other person who investigates it will arrive at the same conclusion, lead me to this result, that the beet-sugar industry is largely dependent, and that in any event, if you were to remove the fostering care of Protection the beet-sugar industry of this country would go to pieces at once. It undoubtedly is true that the beet-sugar people can not continue to manufacture sugar in this country unless the policy of the Republican party is continued with reference to that product.

It seems to me that the proposition is not so much who owns the beet-sugar factories, as whether they could exist and thus supply a market for the farmers' beets and employment for their employees if the Tariff did not exist.

### *Not a Question of Trusts.*

Whatever may be said about any relations between the beet-sugar people and the great sugar trust, this much is very certain: The people who do the work in America at American wages for the beet-sugar factories belong to no trust. The farmers in Michigan, Colorado, in the State of Nebraska, and in California, and in many other sections of the United States are not engaged in any trust and are entitled to the Protection of the Republican party and they will receive it. Under the leadership of the Republican party the American Government has deemed that its first duty was to its own people. Protectionists think that the peace and security which our comparatively isolated position gives, that the extent and fertility of our soil, the unrivaled richness and diversity of our resources, our free government, and the average superiority of our people make it possible for the people of this country to enjoy a greater degree of average prosperity than the people of any other country can possibly have.

Now, a good Tariff law, a good revenue-raising law, is one that will do exactly what the Dingley law has done—some years raise more revenue than needed, and some years raise less revenue than needed for current expenses, but always keeping a safe, satisfactory amount in the Treasury of the United States. [Applause on the Republican side.]

### *The Panic of 1907.*

The facts were that the year 1907 could not be taken as a normal and natural year. The importations had been largely in excess of what they had ever been before. I took the trouble the other day to add the importations for the twelve months preceding October, 1906, and found they were the largest the country had ever had; and yet, notwithstanding that fact, the importations for the twelve months immediately prior to October, 1907, exceeded those of the twelve months preceding October, 1906, by more than the tremendous sum of \$225,000,000.

So it would seem that the lesson from that panic is this: That depression began in the rest of the world more than fifteen months before we had it in this country. The rest of the world did not understand what had struck them. Their producers began to ship their surplus to this country, and when their market failed, of course, they were compelled to seek other markets; and instead of limiting their production, they attempted to decrease their cost by increasing their output, and soon flooded this country with their products. It is, as I have stated before, a very interesting question for speculation, whether we could not have escaped the panic if there had not been dumped into this country that additional \$225,000,000 of foreign goods over and above the unusual importations for the previous twelve months beginning with October, 1906.

The Republican party may have had a panic once, but the people of this country did not want to turn their business over to the excellent gentlemen on that side of the Chamber, worthy Representatives of those disorganized citizens of this country known by the various names of "Free-Traders," "revenue-Tariff men," "Tar-

iff reformers," "incidental Protectionists," "sectionalists," "free silverites," and "Populists"; but they preferred to trust the Republican party in spite of the objection to which you have referred. [Loud applause on the Republican side.] I yield to the gentleman from Ohio.

### *Protection and Hosiery.*

Mr. HARDWICK. Why did they increase the duty on the cheaper grades of stockings?

Mr. GAINES. For the purpose of Protection, pure and simple, and in order to bring it about, for we know it should be done, that they shall be made in this country. The proportion of stockings imported into the country shows that that industry is not Protected, that the rates are not Protective. It is not a question of theory; it is absolutely demonstrable. There is no doubt that there was not Protection in this line of manufacture, and we would have been recreant to the American people who indorsed the Republican platform if we had not given consideration to the cost of production in foreign countries and in America in that line of manufacture. We but obeyed the mandate of the people who elected us to office.

### *Protection and Tin Plate.*

Before the passage of the McKinley law we produced no tin plate. The next year we produced only 595 tons. In 1907 we produced 495,000 tons—practically half a million tons. A ton of tin plate will supply the cans, kitchen utensils, and what not of a good many users of tin plate. The truth is that not only the American people, but all the people of the world get their tin plate more cheaply because America became a producer as well as a consumer of tin plate. To the extent our demand for foreign tin plate was withdrawn, the Welsh tin plate was compelled to compete more fiercely in the rest of the world's markets. Prices the tin-plate people had theretofore maintained could be maintained no longer; the users of tin plate, to-wit, the plain people again, not only in America but in the world, have paid less for their tin plate because the Republican party put on a

tax that every theorist knows must of necessity always raise the price.

### *So She May Have More Lace.*

Mr. ANDERSON. The gentleman stated a few minutes ago that laces were a luxury. Am I to understand that the wife of a laboring man or the children of laboring men are to wear plain clothes, and not have their clothes trimmed with laces of any kind?

Mr. GAINES. Now I will answer that question. We do not say that the wife of a laboring man should have no lace on her clothes. We want to continue the policy of Protection so that she may have more lace than she otherwise would have. [Applause on the Republican side.]

The evidence before the Ways and Means Committee shows that labor is paid in this country from two to four times as much as similar labor is paid in England and from six to fifteen times as much as similar labor is paid in Asiatic countries.

### *Wages in Japan.*

Heretofore we have compared our wages to those paid in Europe. We must from this time forward reckon with the Asiatic factor in the equation. Japan has already roused and China is awakening. The oriental workingman is adaptable and industrious. His wages bear no comparison to American wages.

They never can. He has not the land and the resources to permit the payment of such wages as the American workman can receive if he is not subjected to the competition of un-American conditions.

The official figures furnished the Ways and Means Committee by the Government show that in Japan, the most progressive part of Asia, the following wages prevail:

Bricklayers, 45 cents a day of 9 to 9½ hours.  
 Carpenters, 50 cents a day of 9 to 9½ hours.  
 Laborers, 35 cents a day of 9 hours.  
 Painters, 45 cents a day of 9½ hours.  
 Plumbers, 35 cents a day of 9 hours.  
 Stonecutters, 42½ cents a day of 9 hours.  
 Coal miners, 41 cents a day of 9 hours.  
 Coal-mine laborers, 28 cents a day of 9 hours.  
 Compositors, 45 cents a day of 7 hours.

Farm laborers, male, 19 cents a day of 10 hours.

Farm laborers, female, 10½ cents a day of 10 hours.

Flint-bottle makers, 51 cents a day of 9 hours.

Horseshoers, 28 cents a day of 8 hours.

Blowers, Bessemer process, 32½ cents a day of 10 hours.

Sawyers in lumber mills, male, 30 cents a day of 9 hours.

Sawyers in lumber mills, female, 17½ cents a day of 9 hours.

I might multiply the list from the official figures which I have before me, procured for the Ways and Means Committee by the Government of the United States, to all sorts of occupations, and the wages range the same. Incidentally, these people work seven days in the week. In the whole list in three-fourths of the occupations named the number of days' work was seven per week, and in almost every instance where the days per week are only six the hours' work per day are ten. I should roughly estimate the wages paid as from one-seventh to one-fifteenth of the wages paid in this country.

### *Prosperity Under the Dingley Law.*

Mr. Chairman, we are about to supersede the Dingley law; and it may not be out of place to pause in order to pay a slight tribute to that great measure of the Republican party. Gentlemen on the other side have expressed a degree of surprise that we should have had a depression under that law and under Republican administration most complimentary to both. Such a result could not have occasioned such comment if it had taken place under any Democratic measure or administration.

In my opinion, necessary as new conditions make it to revise that law, it has been, with the sole exception possibly of the McKinley law, the most scientific Protective measure that we have ever had. Under the Dingley law the people of the country have enjoyed the years of their highest prosperity, and during its whole existence a higher average of prosperity than they ever enjoyed before, and a higher average of prosperity than any other people on earth ever enjoyed in "the tide of time." [Long and continued applause on the Republican side.]

## A Protective Policy Develops Natural Resources and Makes a Nation Strong and Independent.

*From the Congressional Record of April 5, 1909.*

GEORGE C. STURGISS, of West Virginia. I conceive that it is of the utmost importance that a nation and people organized into a body politic that desires to maintain its independent existence must be self-sustaining, capable of defending its soil and people from the aggressions of every other nation, whether in the form of actual physical war or in commercial warfare and rivalry. In order to acquire this actual independence and to maintain it, the material things that supply food, clothing, shelter, weapons of warfare offensive and defensive, must be produced and provided within the territory and jurisdiction of the nation. Until all this has been done the nation exists only by the tolerance of other and more powerful and better equipped governments.

It therefore is the part of political wisdom, of patriotism, and the highest statesmanship to encourage the development of all the resources and natural advantages that the nation possesses. Agriculture, mining, manufactures, shipbuilding, commerce, banking, and diversified occupations and employments should all be encouraged and stimulated, until the nation, like a well-trained athlete, should be systematically and symmetrically developed and fit to meet all comers, to suppress insurrection and rebellion, and repel invasion.

If a nation were composed of tillers of the soil only, or of artisans and manufacturers alone, or of merchants and traders, or of miners, or woodsmen and shipbuilders and sailors alone, it would be at the mercy and exist only at the sufferance of those nations that had a diversification of industries, occupations, and resources, all well developed.

### *The War.*

The policy of a Protective Tariff does undeniably develop the resources and increases the wealth and prosperity of a nation, making it independent commercially, financially, and politically. It does give better wages and

happier conditions to its work people. No one familiar with the wages paid abroad in the mines, furnaces, mills, factories, and on the farms, whether in Europe, the Tropics, China, or Japan, will contend for a moment that the American workman could live, or should be required to live, upon these starvation wages.

### *The South Will Declare for Protection.*

I welcome with much gratification the breaking away from party allegiance of many enlightened and patriotic members of the minority party, and especially among those who come from the Southern States. I believe the time is coming rapidly when, emancipated from the thralldom of party allegiance, the South will declare for a Protective policy, and so continue long after New England may have declared for Free-Trade.

It will be better for the country when industrial and economic and not sectional questions divide the great parties of the country, and I hope to live to see the day when greater prosperity, greater wealth, and greater material development and advantage shall come to the South in common with all other sections of the country, and when, burying all differences growing out of the ancient policies of the past, we shall go forward to greater heights of prosperity and happiness under one economic policy, one destiny, and one flag. [Applause on the Republican side.]

## A Protective Tariff Law the First Law Passed By An American Congress.

*From the Congressional Record of April 5, 1909.*

WILLIAM P. HUBBARD, of West Virginia. The Tariff legislation of this country began almost as soon as the Nation began. On the 4th day of July, 1776, the political independence of this country was declared. As soon as the "more perfect union" was formed, the first Congress of that Union enacted as its first statute one which prescribed the form of oath to be taken by the Members of Congress and others.

After the Congress had prescribed that oath, and after its Members had

taken that oath upon themselves to support the Constitution, that Congress, in fulfillment of the obligation it had just taken upon itself, enacted as the second act of that Congress, on the 4th of July, 1789, an act which declared the commercial and economic independence of this country; for the preamble to that act declared the necessity of levying duties on imports; first, for the support of the Government; second, for the discharge of the debts of the United States; and third, for the encouragement and Protection of manufactures.

After the lapse of more than a century we are true to that faith of the fathers.

Perhaps every Member here desires some change in the bill. For one, I hope to see it made more Protective in several features. When it shall be so amended by a Republican Congress, an American Congress, and certified by the signatures of Mr. Sherman and Mr. Cannon, and vivified by the approval of William H. Taft, it will complete a cycle of one hundred and twenty years within which has ripened the fruit of that devotion to the rights and interests of our country which blossomed in that first Tariff bill, a bill verified by the names of Adams and Muhlenberg, and into which the breath of life was breathed by the word of George Washington. Infolded in the close embrace of that bill of long ago was our material greatness of to-day.

Of earth's first clay they did the last man knead.

And there of the last harvest sowed the seed.

And the first morning of creation wrote

What the last dawn of reckoning shall read.

### Protection Valuable Alike for the Farmer and Wage Earner.

*From the Congressional Record of April 5, 1909.*

WILLIAM A. CALDERHEAD, of Kansas. For fifteen days we have listened to the general charge that the Tariff was levied for the purpose of being a burden on the consumer. There has not been an intimation that the Tariff at any time is for the benefit of the producer.

The gentleman from Missouri [Mr. Clark], opening the discussion on that side of the House, cited the names of the authorities in the Nation who included the substance of all that could be said upon it. He named Alexander Hamilton's report and a number of others, and concluded with the report of Mr. Gallatin. Nothing that has been said upon the subject since Hamilton's report has added much to the knowledge of the people, or to the purpose for which the Protective Tariff is levied. Here is a great Nation, now, of 90,000,000 people, occupying land stretching from sea to sea, a great agricultural land, to which the inhabitants might easily turn for their own sustenance, and Hamilton's report was for the purpose of advising the country of the necessity of diversifying the industries of the United States, that it might find employment for all its people and be independent of the producers of other nations.

At this hour, Mr. Chairman, the question is the same that it was in his day. Ten millions of people are engaged as laborers upon farms; six and a half millions of people, speaking in round numbers, are engaged in labor in the manufactories; 1,800,000 people are employed upon the rail-ways. All the vast army of men who are not employed in agriculture are employed in producing some form of manufactured goods or in the transportation of them. The charge is generally made that the whole Tariff is levied for the Protection of the manufacturer. The general answer to it is that the man who has received the most Protection from the Tariff has been the farmer upon his farm, and the wage-earner at his work and in his wages. Testimony to that effect is set forth in the language of Mr. Tompkins, from North Carolina, before our committee, in which he testified that fifteen years ago a cotton crop of 10,000,000 bales was worth 5 cents a pound, before the establishment of manufactories, and brought \$300,000,000; and now, since the establishment of manufactories, that same crop of 10,000,000 bales brings to the South \$600,000,000; and in addition to that, the discovery of the method of producing cotton-seed oil brings the South another \$100,000,000.

Men have been drawn from the



farms to labor in their own factories, and the men who competed upon the farm merely for the production of cotton and the sale of it are competing upon the farm for the production and sale of the food which supports the factories, as well as supplies them with its cotton. The value of the farm products there is another hundred millions.

#### *Enormous Value of Domestic Commerce.*

Last year we produced upon the farms of America nearly eight thousand millions of dollars' worth. We sold abroad to other countries about one thousand millions of dollars' worth. Who bought the rest of it? Who had the money to buy it, and how did they get it? Last year the manufactured products of America were sixteen thousand and eight hundred millions of dollars, and we exported about nine hundred million dollars of that. Who bought the rest of it, and who had the money to buy it? Twenty-three thousand million dollars worth of commerce between the States and less than two thousand million dollars' worth of commerce between the United States and all the balance of the world!

The commerce between the States of our country is greater than all the commerce of Europe, Asia, and Africa with all the world. Who buys our commerce, and who has the money to buy it? We have lived for ten years under a Tariff legislation that is denounced as partisan, as class legislation, as legislation for privileged wealth. Where did the money come from that bought sixteen thousand millions of dollars' worth of manufactured products and seven thousand millions of dollars' worth from the farms? Who paid for it? It is not worth while now to enter into a discussion of the schedules which this committee has been preparing for the next Tariff. It is hardly worth while to attempt to answer charges that have been made against the Chicago platform. It is enough for us that for months the committee has been listening to the testimony of men engaged in every line of business. More statistics and more data have been collected for the preparation of this bill than for all of the other bills within the last forty

years. In a few hours, I think, the bill will be laid before you for discussion, section by section.

#### *Every Consumer Is a Producer.*

As you read it it will be evident to you that it has not been made for the purpose of enriching one man at the expense of another, and it will be no reply to say that it is a tax levied upon the poor or upon the consumer. There is no consumer unless he is also a producer, and the man in America who is not a producer can not be a consumer of any value either to the Nation or to its productions from the farm or from the factory. The Tariff legislation that is proposed now does not differ from the Tariff legislation proposed by Hamilton, from that proposed and carried into effect by McKinley, nor from that proposed and carried into effect and operation by Dingley. You can not turn a page of the national life during the operation of the Dingley bill that does not show that the Nation was richer by a thousand millions of dollars at the end of every year. There were years when the Nation was richer at every sundown by a million of dollars. There were years when the Nation was richer by a thousand millions of dollars every thirty days.

Mr. SISSON. Has not the condition the gentleman speaks of been occasioned by reason of the fact that New England has had from 45 to 90 per cent Protection upon all that she produced and the South has had absolutely nothing?

#### *The South's Free-Trade Traditions.*

Mr. CALDERHEAD. That is a question which is traditional in the South, and has occupied most of the hearthstones and most of the hotel corners for the last eighty years. Why do you not get to work on your own account? [Laughter.] When you set up a government of your own—I do not intend to accuse you of doing what was unjust—you intended to export cotton to England, and you provided in your constitution that no import duty should ever be laid upon any manufactured goods coming into your country.

You stood by your traditions then, and you are still standing by them. You are living by them. A tradition is

a healthy thing for a people, and no nation lives long that does not reverence its fathers and its mothers; but it is time for the children of a rich land to take their traditions in hand and go to the fields of toil and begin to produce and manufacture for themselves. [Applause on the Republican side.]

#### *For the Farmer and the Mill Hand Alike.*

I wish to remind my Republican friends that it is not a question whether hides come in free or subject to a duty, of whether lumber comes in free or subject to a duty. Personally I know that they ought both to be Protected, for the Tariff is for Protection to the laborer in the lumber mills, and there has been no evidence found in four years that there is a lumber trust which combines the lumber mill and the manufacturer. [Applause.]

I believe there ought to be a Tariff on hides, for it is an industry which the farmer and the herd owner from the Missouri to the Rocky Mountains furnish to the market. [Applause on the Republican side.] I do not believe that the shoe factories of New England or anywhere else need that 15 per cent. It is not a question of whether either of those things comes the way we want it; but it is a question of whether the legislation in which we believe, the legislation which is consistent with the life of the laborer of the Nation, the legislation which stands like a wall around the laborers of America to Protect them from the competition of the poorly paid laborers of other nations [applause on the Republican side] shall be maintained and passed as a law or shall be defeated because some little petty item does not suit you and me. [Applause on the Republican side.]

#### *A Glance At the Future.*

And for it all there are many years to come. No nation has ever yet been born and started on its career with a purpose to die. A hundred million people in our brief life; in another century 300,000,000; in another five centuries who shall number the multitudes that stand upon our land, all of them rejoicing in that nobler spirit of life, in nobler action of life, in the

higher standard of faith and hope, and that if all around them some kind of clouds come to disturb the air, and threats upon one side and answers upon the other side make the foundations of the Nation tremble, then I know that in that far-off day, just as in the day of the fragment of the generation to which I belong, when duty calls, liberty's sons will come answering from every hill and valley, singing the same song that we sung:

Oh, say, can you see, by the dawn's  
early light.

\* \* \* \* \*

Oh, say, does that Star-Spangled Banner  
still wave  
O'er the land of the free and the home  
of the brave?

#### **The Least Enthusiastic Over the Programme.**

*From the Congressional Record of April 5, 1909.*

FRANK W. CUSHMAN, of Washington. Mr. Speaker, a quarter of a century ago I lived in the then Territory of Wyoming. Those were the days of which Eugene Field sang—

When money flowed like likker, 'nd the  
folks wuz brave 'nd true.

The enterprising citizens of those days and that region had a way of expediting justice that was mighty swift; they frequently hung a man first, and made up the court record afterwards. [Laughter.]

There was a certain old settler in that region whose front name in his lifetime was "Bill," although I do not now recall that there is any name on his tombstone.

Bill was engaged in the business of raising cattle, and he prospered marvelously. The only cow brute he had on earth in the beginning was one old brindle steer. But he turned that old steer out on the range in the fall, and the next spring he branded a thousand head of calves as the natural increase. [Great laughter and applause.]

Yes; Bill was prospering, and all went merry as a marriage bell until one night—one dark night—a vigilance committee called on Bill without the formality of an engraved invitation.

They called old Bill out of the cabin and put a noose around his neck with

a facility made perfect by long practice [laughter], and the leader then said to him:

"Bill, we are going to hang you; what have you got to say about it?"

Old Bill rolled his quid into the other cheek and said:

"Well, gentlemen, I s'pose I've got more interest in this performance than any other gent present, but I am the least enthusiastic over the programme."

[Great laughter.]

Now, Mr. Speaker, that describes exactly my feelings in this present situation. [Renewed laughter.]

When I look around over this polite political vigilance committee gathered together in this Hall, I think I realize that you are about to confiscate my lumber industry and at the same time lead me to the political scaffold. Permit me, as my farewell message, to say to you, that—

"I have more interest in this performance than any other gent present, but I am the least enthusiastic over the programme."

[Great laughter.]

### *The Cheap Lumber Delusion.*

A great many men on this floor who come from prairie States hug to their breasts the delusion that they can get cheap lumber for their communities, and that the price of agricultural products will still remain high. Do not think it for a minute!

If you smite the lumber business of the United States, the recoil of that blow will stagger every interest that you think you are representing when you vote for free lumber.

Let me give you in about a dozen words a word picture of the size of the lumber industry—as I know it to be:

In my own State of Washington the lumber business is enormous. We have in that State 1,309 sawmills, employing 110,000 men. We pay out every year in wages to those men the enormous sum of \$75,000,000. The total capital invested in sawmills and machinery in the State of Washington (not including standing timber or logging roads or lumber vessels) is the stupendous sum of \$160,000,000.

In the entire United States, the figures showing the total of the lumber business are still more astounding. In

the United States there is over \$600,000,000 invested in the sawmill industry. There are employed in the United States in the lumber industry over 800,000 men, with an annual pay roll to labor of \$200,000,000. There are 28,000 sawmills in the United States, scattered from ocean to ocean.

When you think you can strike down the lumber industry of this Nation without any serious consequence, I bid you think of those 800,000 laboring men scattered throughout the length and breadth of this land—and if they can not have work, they will not have bread. [Loud applause.]

### **"You Are Not Good Protectionists."**

*From the Congressional Record of April 5, 1909.*

JOSEPH W. FORDNEY, of Michigan. I want to say to the gentlemen on this side of the House who have been for several days demanding that certain provisions should be put into this rule before they would vote for it—I say to you, gentlemen, some of you from the State of Minnesota, and Iowa, and from Kansas, that you are not good Republicans. [Laughter.] You are not good Protectionists. [Applause.] You are demanding Protection for an industry directly in your representative district, and demanding Free-Trade on the products of another State, your neighbor.

Ah, gentlemen, the man who will demand Free-Trade on his raw material that is his neighbor's finished product, and ask Protection on his own finished product, is a statesman in the great structure of American politics about the size of a 2 by 4, the smallest timber in the structure. [Applause on the Republican side.] That is your size, no matter who you are. You demand Protection to barley. One gentleman from the State of Minnesota said he could not vote for a rule that did not give more duty on barley than 15 cents per bushel. There was produced in that great State last year but 172,000 bushels of barley, about \$75,000 or \$100,000 worth. He is demanding more Protection to barley, but he wants Free-Trade on that great and magnificent industry, the lumber industry, which amounts in volume to

nearly \$800,000,000. [Applause on the Republican side.]

Measure your patriotism, figure it out yourselves, whatever it may be, and you will find in the arena of American politics you are not larger than a fly speck on the map of the world. [Applause.] Gentlemen, the country is demanding prompt action on this Tariff bill, so that the business world may go forward, and I am generous enough to say that I will submit my case to the Members of this House and to the people of the country and show my patriotism in my desire to enact this Tariff bill into law at the earliest possible moment. [Applause on the Republican side.]

### Needed Increase of Duties On Hosiery and Gloves.

*From the Congressional Record of April 5, 6, 1909.*

SERENO E. PAYNE, of New York. We can not satisfy every interest. The gentleman complains of hosiery; and I want to say to you gentlemen on this side, that there is not a single Protected item in this bill that is better justified than the increase of duty on hosiery put into this bill. [Applause on the Republican side.]

They complain of gloves. Yet it is precisely the case that we had in tin plate twenty years ago, when we followed the leadership of William McKinley and created that magnificent industry employing 25,000 of our people; and twelve years ago, under the leadership of Mr. Dingley, when we imposed the duties on men's gloves. We were making about 5 per cent, and to-day we are making 90 per cent of men's gloves. [Applause on the Republican side.] And they are much cheaper than they were when we put the duty on them. It is as fine a vindication of the idea of Protection as was the duty on tin plate.

Now, men that make men's gloves can make women's gloves; and with the same measure of Protection that we put on men's gloves we come before you to-day with a bill to put a duty on women's gloves; and when we shall employ 50,000 of our people in making women's gloves for American women to wear, they will be sold as cheaply and cheaper than they are to-

day; and the American workmanship will make better gloves than the women are wearing to-day. [Applause on the Republican side.]

### *Hundreds of Petitions Received.*

It is stated that the cheapest of stockings are sold at 25 cents a pair. Why a difference of 2 cents in duty should double the price is difficult for any one, except the manager of a department store, to understand. The simple fact is that this 2 cents would come out of the retailer's profit, which very frequently equals 100 per cent of the cost of his goods. No advance could be made in the rate to the woman who buys the stockings.

Notwithstanding, because of the articles repeated in the various dailies, which has had the effect of rousing many women and many hysterical men into the belief that an outrage or wrong had been done, very few letters from either men or women have been received by the Committee protesting against this raise of duty, except such as have been inclosed in envelopes bearing the imprint of Marshall Field & Co., while on the other hand, scores of petitions have been received, many of them signed by hundreds of persons, asking that this duty might remain in order that the working people of our own country might make stockings for our wives and children.

### *Plain Facts as to Gloves.*

As to the increased duty on gloves. The simple facts are these: In 1897 manufacturers appeared before the committee asking that the duty of \$4 per dozen on men's gloves under the Wilson bill be retained. Prior to 1894 they were making 5 or 10 per cent of the men's gloves, but they said the duty was so low they were being driven out of business, and statistics seemed to back up their assertion. They demonstrated that to meet the difference in cost and labor a duty of \$4 per dozen was necessary upon men's gloves, or 33 1-3 cents per pair. After consideration the committee inserted such a paragraph in the bill and it became a law. To-day they demonstrate to us that they are making over 90 per cent of the men's gloves worn in this country, having amply redeemed their promise, and that the

cost to the consumer is much less than it was prior to 1897.

They came before the committee early in the hearings and proved to us that it cost no more and required no more skill to make a woman's glove than a man's, and claimed that if the same rate of duty was given them, in time they would make the same percentage of women's gloves, and that this industry would employ at least 50,000 people. The committee looked into the matter carefully and found this state of things to exist.

### *Women's Gloves.*

Of late years there has come into fashion gloves much more than 14 inches in length, a length that was unknown at the time the Dingley law was passed, such gloves reaching almost up to the shoulder. This long glove is purely a matter of luxury, and the committee were asked to add 50 cents a dozen pair for each additional inch in length over 14 inches. They added 35 cents. Is there any reason why, in hunting around for revenue, we should not have levied this additional duty upon these luxurious gloves?

Then came the question of whether we wanted to encourage the industry of making women's gloves in this country. To do this required a duty of \$4 per dozen pairs on gloves not exceeding 14 inches in length. Other than the Schmaschen glove, this made an additional duty of \$1.50 a dozen pairs, or 12½ cents per pair on one grade and \$1 a dozen or 8½ cents per pair upon another. Having satisfied themselves that this was a fair rate of duty which must be maintained in order to take over the industry, the committee did just what every Protectionist would do and put \$4 per dozen pairs upon these gloves.

### *The Tinplate Peddler Lies.*

Most Members of the House will remember then the hue and cry that was raised and the lies that were told about the advanced price, the trick of the tin peddler going about just before election with his load of tin, asking three or four prices for it and blaming it all upon the McKinley law, and the grand result in vindication of the policy which our Democratic friends said

would never succeed in transferring this splendid industry to the United States. The time is passed when the American public is to be deceived by wholesale falsehood. The people are too intent on furnishing labor for everyone, knowing the splendid results that have always come from a Protective Tariff. The belief in the principle is too universal for any shop-keeper to encourage the importation of cheap and inferior goods in order that he may get a cent or two more of profit rather than to employ the highest priced and intelligent labor of the American citizen.

### **A Missouri Democrat's Free-Trade View.**

*From the Congressional Record of April 6, 1909.*

COURTNEY W. HAMLIN, of Missouri. I want to submit this further proposition: I do not believe in a Protective Tariff for Protection's sake, and I do not believe it can be sustained by any kind of logic that I have ever heard or that can be produced on the face of the earth. [Renewed applause.]

### **A Louisiana Democrat's Protection View.**

*From the Congressional Record of April 6, 1909.*

ARSENE P. PUJO, of Louisiana. In a spirit of fairness to the membership of this House, and in order that my position may be thoroughly understood, I want to say in advance that I am not a Free-Trader. And I want to say further that I believe that a Tariff should be levied upon imports which will not only produce a revenue sufficient to defray the expenses of the Government and provide for its proper internal development, but also, that due regard be had to the equities of citizens of the United States.

Mr. Chairman, should the attempted reduction of the Tariff on lumber will be violative of all principles of justice and equity to the laborer, to the manufacturer, and to the man who uses the commodity last—the consumer. Should this bill be enacted

into law, its operation upon the saw-mill man will be, in part, as follows: His lumber and shingles must be upon the free list, and nearly everything he has to buy is Protected.

Mr. HOWLAND. I understand you insist on Protection. Against whom do you desire to be Protected?

Mr. PUJO. I am insisting upon a duty against the lumber from Canada, where labor is cheaper, and because it is cheaper the people of the North who have grown rich, and whose forests are now denuded, are actuated by selfish motives and desire the timber of the South placed in competition with free Canadian lumber, so that they may buy the Canadian lumber cheaper than they can buy the lumber of the South.

Mr. Chairman, I believe the present duty on wool and its manufactures to be a revenue-producing one, for, in 1907, the revenue from that source exceeded some \$3,700,000. Hence, a Democrat who believes in a Tariff for revenue only ought to find no embarrassment in voting for the maintenance of the Dingley schedules on lumber.

My views on the question of the Imposition of a Tariff rate are that the representatives of the people owe it to them to so legislate that no citizens of a foreign country shall be permitted to offer for sale in this country any competitive article under conditions more favorable than is employed by an American citizen.

### The Fathers of Our Country Favored a Protective Tariff.

*From the Congressional Record of April 6, 1909.*

HAMILTON FISH, of New York. The fathers of our country favored a Protective Tariff, and the greatest minds of both parties have advocated it, as did Missouri's greatest son, Thomas H. Benton, who has been referred to in this debate, and who stood in the Senate in favor of Protection to the products of his State. Silas Wright and James Buchanan did likewise, as well as many other leading Democrats, and yet we have heard men of the same faith in this House denounced for following in their footsteps.

In fifty years the Democratic party has had but one man, Grover Cleve-

land, who will go down into history as one of the great statesmen of the country. He has been far more criticized and denounced by his own party than by his opponents. He made an earnest and honorable attempt to carry out the pledges of his party.

How beset he was with difficulties, and how the Sugar Trust succeeded in gaining control of the Wilson Tariff bill is shown by the extracts below from Chairman Wilson's speech and the letter from President Cleveland to Chairman Wilson under date of July 2, 1894.

Let us speedily enact the Tariff bill, and thereby produce revenue, equalize duties, and encourage the industries of the United States, so that we may enter anew upon a field of unbounded prosperity, and in these days of universal good will, with the last vestige of sectionalism happily vanished, afford the broad-minded and splendidly equipped President of the United States an opportunity to develop his progressive policies, which are to redound to the welfare of the whole people.

### A Democratic Plea for Adequate Protection on Barley.

*From the Congressional Record of April 6, 1909.*

WINFIELD S. HAMMOND, of Minnesota. The placing of hides upon the free list and leaving a duty upon boots and shoes will benefit only the manufacturers of boots and shoes. It will decrease the revenue of the country and furnish another instance of a Tariff for the benefit of the few at the expense of the many.

Then the duty on barley, which has been 30 cents a bushel since the act of 1890, by this bill is to be reduced to 15 cents a bushel. It is interesting to learn from the published hearings before the Ways and Means Committee from whom the demand for a reduction of this duty comes. The great barley-producing States of the Union are Wisconsin, Iowa, Minnesota, North Dakota, South Dakota, and California, and while some barley is used for feed, nearly all of it is converted into barley malt for the brewers. In Western New York there are a number of maltsters, and, because their plants

are at a distance from the barley-producing areas, they are obliged to pay heavy transportation charges on the barley they manufacture. It seems that the land near their establishments will not produce so good a grade of barley as is raised in the West, but across the line, in Canada, the farmers can raise a most excellent product.

Now, the persons who desire the barley rate reduced and upon whose statements the Ways and Means Committee has acted in making the reduction, are these New York maltsters. There is no claim that the reduction of the duty will give to the country a greater revenue, so this reduction has not been made for revenue purposes. We have been told time and time again that the purpose of Tariff legislation is to furnish, first, Protection to our own industries, and incidently to provide a sufficient revenue for the needs of government. This reduction is not a revenue measure. Then it must be defended upon the ground that it Protects our American industries. How does it Protect them? These New York maltsters say that if the Tariff is reduced on barley, then the Canadian farmers near the New York line will raise barley and ship it into this country where it will be made into barley malt. This, then, might appropriately be called a Tariff adjustment for the purpose of encouraging Canadian industries, instead of a Tariff for the purpose of encouraging American industries. I can not vote to reduce the duty upon barley to aid the farmers of Canada and half a dozen maltsters in western New York at the expense of the barley growers of the United States.

### **A Southern Democrat who Wants Protection for the South.**

*From the Congressional Record of April 6, 1909.*

EDWARD W. POU, of North Carolina. The effect of the amendment offered by the gentlemen from Minnesota [Mr. Tawney] is to put all lumber not dressed on the free list. Now, the proposed bill to which I am opposed is a high Protective measure. You have, for instance, Protected the woolgrowers of the Nation with an average ad valorem duty of 59 per

cent. You have Protected the manufacturers of metal with a 36.15 per cent duty; the earthenware and glass manufacturers with a 52.15 per cent duty; the manufacturers of chemicals with a 28 per cent duty; tobacco manufacturers with a duty of 104 per cent; agricultural products and provisions with a duty of 39.08 per cent; the manufacturers of spirits, wines, and so forth, with an average ad valorem duty of 74.92 per cent; and the manufacturers of cotton goods with a similar duty amounting to 50.27 per cent; but your bill only provides a duty of 5.92 per cent on sawed lumber, and now comes the gentleman from Minnesota with an amendment which will put all lumber not dressed on the free list.

Mr. Chairman, I can not support the proposition. [Applause.] I see no reason for this discrimination against the people of the South, who have preserved their forests, and those who are engaged in the manufacture of lumber. I decline to support the amendment for several reasons. No Tariff bill which raises less than \$325,000,000 will adequately meet the requirements of the Government. A great sum must be raised by levying duties on imports. The levying of such duties must necessarily Protect somebody's business or interests, and I hold that the Protection thus incidentally afforded should be equitably adjusted. No interest should be made the scapegoat of a bad measure. There is to my mind no reason why you should discriminate against the people of my section in favor of the woolgrowers of the Dakotas or the sugar-beet growers of the West.

### **The Wall of Protection Should Equally and Adequately Protect All Industries.**

*From the Congressional Record of April 6, 1909.*

FRANK W. CUSHMAN, of Washington. I say to you, my political brethren on this floor, that it will be a sad day for the Republican party when we start in to tear down the wall of Republican Protection in front of any legitimate American industry. [Applause on the Republican side.]

It may be another man's industry

that is attacked to-day, but when you begin to tear down the temple of Protection, sooner or later you will find your own industry engulfed in the common ruin.

I am a consistent Protectionist. My Protectionism rises superior to my selfishness. I am willing to Protect the barley of Minnesota, and I ask similar Protection for the lumber of my own State. I am consistent.

And I say that the man on this floor who wants to Protect his own little industry but is willing to see his neighbor's industry destroyed, is not a Protectionist; he is just a plain political cannibal, willing to have his neighbor eaten up if he can be saved.

Here is the eminent gentleman from Minnesota, who proclaims his Republicanism in the very moment when he is deserting the principles of that party. Sir, I am here to impugn the Republicanism of any man who wants a Tariff of nearly a dollar a grain on barley and who does not want a Tariff of a cent per thousand on lumber. [Applause on the Republican side.]

The only way the Republican party can be held together is by building a wall of Protection that shall equally and adequately Protect all the industries of America. Do you think that on the great field of American enterprise you can make lumber a commercial outlaw and not reap the reward of your political treachery?

### *The Danger of Unfairness.*

Sir, when I was a child I read a story of the English war in India. According to that tale certain of the natives of India had allied themselves with the English army. They were in imminent danger of attack, and together they threw up a hasty fortress for their joint protection from the common enemy without. But it was found that the fortress was too small to hold all, so the English drove their native allies out of the fortress they helped to build, expecting them to be slaughtered by the enemy.

Do you know what those natives did? In a single instant they joined the enemy and turned their fire upon the inhuman and ungodly crowd that had denied them shelter within the fortress they had helped to build, and they washed their hands in the blood

of those who had sought to sacrifice them. [Applause on the Republican side.]

You had better listen to that tale. When you drive a legitimate American industry outside the wall of Protection, they will help shoot you to death on the next American political battlefield. [Applause on the Republican side.]

### **Reasons Cited Against Free-Trade in Lumber.**

*From the Congressional Record of April 6, 1909.*

HENRY S. BOUTELL, of Illinois. It is very apparent from the evidence before the committee that the best interests of forest conservation would lead us to maintain at least a dollar rate on rough lumber so as to induce the lumbermen of the United States to clean up the cheaper lumber which otherwise they would not be induced to do. The third reason, and the one which I think ought to prevail, even if neither of the others addresses itself to the judgment of the committee, is this: On both the north and the south of us we have in the British Dominion and in South America countries that are ready to take advantage of us in replenishing their own treasuries by an export tax on their raw products which we buy from them. Let me call the attention of the committee to this remarkable situation. We import over 80,000,000 pounds a year of raw rubber. We pay about \$60,000,000 a year for it. We boast that it is on the free list for the benefit of our rubber manufacturers, but every year, gentlemen, the American rubber manufacturers, who think they are getting free rubber, contribute to the treasuries of the States of Brazil over \$12,000,000 a year in a 25 per cent ad valorem export tax. There is the same danger on the north, that every reduction which we make in lumber will be used by the Canadian or the Provincial governments to aid their own treasuries or their crown-land funds. So, for these three reasons, Mr. Chairman, that we need the revenue; that it is the interest of the conservation of our forests; that it is to prevent an export duty being placed by the Canadian government, I submit



to the calm and sober judgment of all the members of the committee that the rate fixed by the Ways and Means Committee should be sustained. [Loud applause.]

### **A Southern Democrat Favors Full Protection for Lumber.**

*From the Congressional Record of April 6, 1909.*

FRANK CLARK, of Florida. I am opposed to the amendment offered by the gentleman from Minnesota [Mr. Tawney], and I go further than that, and say that I am in favor of a restoration of the \$2 per thousand rate contained in the Dingley bill. [Applause.] If I can get an opportunity to vote, I shall certainly so record myself.

### **Those Who Talk for the Ultimate Consumer Must Not Forget the Primary Producer.**

*From the Congressional Record of April 6, 1909.*

J. SLOAT FASSETT, of New York. I am opposed to this proposition for several reasons. The first reason is that I am for a high Protective Tariff [loud applause on the Republican side] pledged to protect in every possible way every legitimate American enterprise.

The second reason I am opposed to the proposition is that it will disappoint every advocate of it in this room and in the country outside.

The third reason is it will deprive us of a large item of important revenue, \$1,700,000, annually and give us no substitute.

The fourth reason is that no consumer of raw lumber anywhere in the United States will buy one foot of lumber one cent cheaper if this resolution passes. [Applause.]

Mr. Chairman, I speak as a manufacturer of lumber and owning large stumpage in Canada. For myself personally I would be glad to see the Tariff reduced entirely. I would be glad to see absolute Free-Trade in every product of the forest. We can get, then, into the magnificent markets of America from across the border, and I could make my holdings worth

much more than they are now. [Applause.]

Who is pushing for this change? It is those of us who are interested in Canadian enterprises and Canadian stumpage. We can well afford Free-Trade. You gentlemen in the lumber business can not afford it, and purchasers of lumber will not benefit. If you give me a \$2 remission, I can get \$2 farther into New York State and New England. You compromise on \$1—

Mr. TAWNEY. Will the gentleman yield for a question?

Mr. FASSETT. Not at all. I can get \$1 farther into New York State than I can now, and that is where this committee agreement is a compromise. But those gentlemen who talk for the benefit of the ultimate consumer must not forget the primary producer. No consumer has power to consume to the profit of the dealer beyond his power to earn; and if you solely consider the consumer here and destroy the earning power of the producer in America, you have spoiled your market and ruined your party, and you can not face the people on that issue and you ought not to want to do so.

### **The South Claims a Fair Share of Protection.**

*From the Congressional Record of April 6, 1909.*

JOSEPH E. RANSELL, of Louisiana. The voters of this country have said that the Republicans must frame this bill and not the Democrats, and the Republicans are doing it. As one Representative of a great section of the country largely interested in the lumber industry, I wish to say that as the bill is being framed along Protection lines, I think it very unjust for my section not to get its fair share of that Protection. [Applause.]

### **Should Be Fair to Eastern Lumbermen.**

*From the Congressional Record of April 6, 1909.*

JOHN P. SWASEY, of Maine. This great West of ours furnishes us corn and wheat and barley and beef, and all those products are being run into our

forests by the carload, train after train, and if we could have the privilege of going into the Canadian market and buying the products for carrying on our lumbering operations over the Canadian line, we could afford to give up the \$2—yes, \$4—but when we pay you \$1.20 for your wheat, \$1.10 for your corn, and from \$400 to \$600 for a pair of Kansas, Ohio, or Illinois horses, we are paying for all the privilege that we get by virtue of the Protection to that great industry of ours, and I trust that gentlemen will be fair with us and will give us a restoration of the Dingley Tariff.

### Oklahoma Pleads for a Tariff on Hides.

*From the Congressional Record of April 6, 1909.*

BIRD McGUIRE, of Oklahoma. It is an easy matter just at this juncture, just at this particular period, to say that you are building up a trust, you are Protecting the packer. It does not make any difference to me whether the tanning industry is found on the one side or on the other. If it was said that the packers—if such is the case—are establishing tanneries, the tannery is worth just as much to the farmer, it is worth just as much to the laborer, it is worth just as much to the American people, whether it be established in the State of Missouri or the State of Massachusetts, in Michigan, or in any other State. It does not make any difference whether it is for the exclusive business of tanning or whether it is established in connection with some other business.

It employs the same number of men, the same wages are paid, the same Protection is guaranteed to labor. Shall we stand here and say we are opposed to the duty on hides because it may contribute a few pennies to the packer while it at the same time contributes millions to the farmer?

### A Republican Who Considers a Duty on Hides Inexcusable.

*From the Congressional Record of April 6, 1909.*

SERENO E. PAYNE, of New York. There is no logical foundation for a

duty on hides; there is no justice in a duty on hides. It is not for the benefit of the farming interest, but it benefits only the great monopolies that control the packing industry of the United States, and so your farmer constituents will say to you gentlemen who vote for it when they discover that through your lack of wisdom or foresight you voted for this inexcusable duty on hides. [Applause on the Republican side.]

### Justice for the Farmer Rather Than Added Profits for the Brewer.

*From the Congressional Record of April 6, 1909.*

JAMES M. MILLER, of Kansas. The amount of duty on barley heretofore has been 30 cents a bushel, and the Committee on Ways and Means have reported in favor of 15 cents duty. This amendment provides that the duty shall be 25 cents instead of 15 cents, and the reason I did not move to restore it to 30 cents was the fact that 30 cents is more than necessary for the Protection of barley in this country. I have talked with those interested especially in this product, and they admit that 25 cents a bushel is sufficient Protection. I want to call attention of the committee to the reason why the amendment is offered.

This is a product of the great States of Montana, the two Dakotas, Nebraska, Minnesota, Wisconsin, and Michigan. Wisconsin and Minnesota probably produce more barley than any other two States in the United States.

Mr. TAWNEY. If the gentleman will pardon me, I want to say that the State of California produces more barley than any other State in the Union.

Mr. MILLER, of Kansas. I will get to that point. The State of California is a great barley-producing State, but I am speaking of the barley that is used for the purpose of manufacturing beer. I am speaking of this barley, and not of the kind raised in California, which is a feed barley. I am speaking of a barley produced by the great States that I have named—Minnesota, Wisconsin, Michigan, Iowa, North and South Dakota, Nebraska, Wyoming, and Kansas.

Mr. SLAYDEN. What is barley used for principally?

Mr. MILLER, of Kansas. Barley is used principally for making beer.

Mr. SLAYDEN. Malt to be used for making beer?

Mr. MILLER, of Kansas. Yes.

Mr. SLAYDEN. Then, how in the world does it concern Kansas? [Laughter.]

Mr. MILLER, of Kansas. I will tell you how it concerns Kansas. Kansas is one of the greatest producing States in this country. It is an agricultural State, and it raises barley. It asks that it shall be Protected on this product the same as on other products of the farm.

I would like to have some gentleman on the Ways and Means Committee or some Member of this House give some reason why the duty on barley should be cut down and the duty on wheat and on rye and on corn and on other farm products of the Western States should remain as it is. There can be but one reason why it is done, and that is the reason that people interested—brewers probably more than any other people in this country—want it cut down. I stand here this afternoon for the purpose of Protecting the farmers of this country and seeing that they get justice rather than that the brewers shall have added profits to the business in which they are engaged.

### Protection Against Cheaper Barley from Canada.

*From the Congressional Record of April 6, 1909.*

HALVOR STEENERSON, of Minnesota. Mr. Chairman, I represent a State that produces more barley than any other State in the Union. My district probably produces more barley than any other district in the State of Minnesota. I ask that this amendment be adopted for the reason that it relates to one of the few items in this bill that affords genuine Protection to the farmer. We produced last year in the State of Minnesota 32,500,000 bushels of barley—one-fifth of the total product of the whole United States—and of that more than 6,000,000 bushels was produced in my district. My district adjoins the Canadian border,

where they produce barley, and we know that this duty is for the benefit of the farmer; we know that it enhances the price of the farmer's product.

Mr. CAMPBELL. Will the gentleman state the difference between the price in Minnesota and Canada?

Mr. STEENERSON. I can state that a year ago last fall, in 1907, there was paid duty on barley from Manitoba to the amount of over \$5,000 in one cargo. Canada got 30 cents less in that instance, but the difference runs perhaps 15 to 20 cents per bushel.

Mr. HUMPHREY, of Washington. Is farm labor any higher over in Manitoba or across the line in Canada than in your district?

Mr. STEENERSON. The cost of production is higher for the reason that it costs more to deliver the barley in the Eastern market than from eastern Canada, that is, from the State of Minnesota, and that is an item in the cost of production. Now, the legislature of the State of Minnesota has unanimously passed a resolution in favor of this duty, basing it upon the theory that the farmers are contributing in everything else to the support of Protection prices, and that this is one of the items which is of genuine benefit to them.

### *Why Minnesota Farmers Need Protection.*

The situation on the border of northern Minnesota is especially important. We are engaged, especially in the frontier section, in the raising of wheat. We have not got far enough advanced to go into stock raising, and it is necessary to alternate and rotate the crop. The wheat exhausts the soil very rapidly, and we have to put in barley or let the land go fallow, and barley, being a profitable crop, gives us an opportunity to use the land every year. We can see no reason why the Canadian, who contributes nothing to the support of the army or the navy, who is not a taxpayer and does not bear the burden of our heavy prices under our Tariff system, should have the same benefit, or practically the same benefit, given to our own people, who support the Government. This is no higher Protection than is afforded upon all other farm products. The duty on wheat is 25 cents a bushel,

and oats and all the products of the farm throughout the United States are given Protection under present schedules.

#### *Has Stimulated Production.*

The result of this Tariff has been to stimulate production. Ten years ago Minnesota only produced 9,000,000 bushels, whereas we produced thirty-two and a half million bushels last year. In 1897, when we had no duty, we produced in the United States only 66,000,000 bushels, whereas in 1906 we produced 178,000,000 bushels, showing that this duty does tend to stimulate production and to bring returns to the farmer, who bears the largest share of the burdens in the payment of Tariff duties, because they consume more than any other class of people. Now, in behalf of the people of my district, who are vitally interested in this, who produce, perhaps, 6,000,000 bushels of barley every year, I say to you if you leave this duty at 15 cents a bushel it will practically ruin the barley production of that district and of the whole country; and having supported this Committee on Ways and Means in all the other items, it seems to me you ought not to single out the one subject of barley and discriminate against the farmers in this way. [Applause.]

#### *Protection Justified.*

There is no object which so completely justifies the policy of Protection as this. In 1896, before the enactment of the Dingley law, we only produced 66,000,000 bushels, whereas in 1906 we produced 178,000,000 bushels, an increase of nearly 300 per cent. The average farm price in 1896 was only 32 cents per bushel, whereas the average farm price in 1907 was 66 cents, and last year about 55 cents. The reason for this increase in price was the establishment of a good home market. Since 1897 the malting industry has grown immensely, so that now the center of it is west of Buffalo—in Chicago, Milwaukee, and Minneapolis. Formerly the export price fixed the domestic price, but not so during the last few years, for the establishment of the malting industry in the West has created a home demand and a home market sufficient to control the price.

Who is it that is responsible for this cut in the barley duty? We are reliably informed that it all comes from a desire of the eastern malting interests—principally those in Buffalo—not to get cheaper barley, but to get an undue advantage over their western competitors. They can get their barley from Ontario cheaper than Chicago or Milwaukee can from Kansas, Iowa, southern Minnesota, or South Dakota, and they will thus be able to dominate the malt market and to destroy that industry in the West. This demand for a reduced duty does not come from the consumer, but from maltsters of the East, who only produced 14,000,000 bushels of malt last year, as against 56,000,000 bushels produced by the maltsters west of Buffalo.

#### *Would Destroy the Domestic Market.*

Is it fair and just to destroy this great home market west of Buffalo and thereby entailing a loss of millions upon the farmers of the West? The maltsters of Buffalo can continue to get their barley by way of the Great Lakes from Duluth, Superior, and other lake ports at a freight rate of 2½ cents per bushel, a rate even lower than that enjoyed by Chicago.

The wheat farmer gets very little benefit out of the duty on wheat, for, owing to the large proportion of that crop exported, the price in the domestic market is largely, if not entirely, controlled by the price abroad; but just now, when we have reached a point where this is not true of barley, you propose by cutting the duty in two to destroy the domestic market in the West and compel us to abandon barley production, which has grown up on the faith of the present Tariff to such great proportions.

You will benefit no one in this country by this course, but you will injure many. We in the West have stood by the Republican party and its policy of Protection believing it would be applied fairly and justly to the whole country alike and would develop every section and bring prosperity to all, and we appeal to you, in the name of the millions of farmers of the West, not to perpetrate this injustice upon us now, but to treat us fairly and give us that measure of Protection which is our due.

## Protection Becomes a Question of Patriotism.

*From the Congressional Record of April 7, 1909.*

EDWARD L. HAMILTON, of Michigan. In considering this question, I have prepared a statement of facts, the truth of which, I believe, everybody will admit, and from these facts, as premises, I propose to draw certain conclusions.

First. We must raise money to run the Government, and the Tariff furnishes the least burdensome method.

Second. We live in a Tariff world, in which other nations, except England, Protect their markets. The millennium has not yet arrived.

Third. We live in a world of industrial centralization, created by improved methods of transportation and communication.

Fourth. We live in a world of corporations, in which corporate combinations exist alike under Free-Trade and Protection, in republics and in monarchies, and the further the nations of the earth have advanced commercially the more their industries have become centralized.

Fifth. The further nations are advanced commercially the more their labor is organized, but nowhere are the wages of labor as high as they are in America.

Sixth. We have here in America a domestic commerce along our own coasts and upon our own rivers, lakes, and railroads, amounting to more than \$25,000,000,000, which is more than twice the international commerce of all the world, and of that international commerce we sell about one-eighth and buy about one-ninth.

Seventh. Our ninety million population market, being the best market in the world, we should not give it away by Free-Trade or exchange it by reciprocity for any other lesser market unless the best interests of the whole people will be conserved thereby.

Eighth. It is better to keep our money in use and circulation among ourselves than to send it abroad in exchange for commodities which we can make as well as foreigners.

Ninth. It is better to keep our own capital and our own labor employed

than it is to keep the capital and labor of other nations employed.

Tenth. There is more of individual liberty here in America than in any other nation, and the average American citizen is better educated, better housed, better clad, and better fed, and counts more in achieving force than the average citizen of any other country.

Eleventh. If the products of poorly paid foreign labor are admitted into American markets duty free, then in order to compete with foreign labor American labor must work for the same wages paid foreign labor, plus the cost of transportation of foreign products into the American market.

Twelfth. If American labor were forced to the low wage scale of foreign nations, it would degrade the average of American citizenship and emphasize social difference.

Thirteenth. Tariff agitation and Tariff uncertainty are injurious to industry.

Fourteenth. The more there is manufactured, the more people there are employed; and the more people there are employed, the more people there are to buy what the farmer has to sell; and the more people there are to buy what the farmer has to sell, the better price the farmer gets for what he has to sell; and the better price the farmer gets for what he has to sell, the more the farmer buys of what the manufacturer makes to sell; and the more the manufacturer makes to sell, the more he pays to labor to manufacture what he makes to sell. [Applause on the Republican side.]

### *Wages at Home and Abroad.*

Fifteenth. I submit tables showing wages in certain occupations, and cost of production of certain articles at home and abroad.

I had some difficulty in getting these figures, but they are authentic.

If these propositions be accepted as true, then it follows that any Tariff policy which would share our 90,000,000 population market with foreign capital and foreign labor by the importation of foreign commodities which we can grow, manufacture, and produce as well as foreigners, would be admitting to our markets the products of those who Protect their mar-

kets against us, and would lower the level of our own citizenship without raising the level of foreign citizenship,

would stimulate foreign manufacturers while depressing our own, would increase the employment of foreign la-

*A comparison of wages, by the hour and by the day of eight hours, in the United States and certain countries of Europe in 1903.*

	United States.		Great Britain.		Germany.		France.		Belgium.	
	Hour.	Day.	Hour.	Day.	Hour.	Day.	Hour.	Day.	Hour.	Day.
Bricklayers. ....	\$0.55	\$4.40	\$0.21	\$1.68	\$0.13	\$1.04	\$0.13	\$1.04	\$0.08	\$0.64
Stonecutters. ....	.42	3.36	.20	1.60	.12	.96	.14	1.12	.07	.56
Stone masons. ....	.46	3.68	.21	1.68	.13	1.04	.14	1.12	.08	.64
Hod carriers. ....	.29	2.32	.13	1.04	.08	.64	.10	.80	No data.	
Carpenters. ....	.36	2.88	.20	1.60	.13	1.04	.15	1.20	.07	.56
Painters. ....	.35	2.80	.18	1.44	.12	.96	.13	1.04	.07	.56
Plumbers. ....	.44	3.52	.20	1.60	.11	.88	.15	1.20	.08	.64
Machinists. ....	.27	2.16	.17	1.36	.13	1.04	.13	1.04	No data.	
General laborers. .	.17	1.36	.10	.80	.08	.64	.10	.80	.05	.40

*Production Cost Compared.*

*A comparison of the cost of production of certain articles in the United States, Great Britain, and Belgium.*

Articles.	United States.		Great Britain.		Belgium.	
	Labor cost.	All other expense.	Labor cost.	All other expense.	Labor cost.	All other expense.
One yard cashmere cloth of cotton and low botany wool of equal weight and quality. (Weaving wage given as labor cost). ....	\$0.064	\$0.196	\$0.013	\$0.143	.....	.....
One yard cashmere cloth of cotton and botany worsted of equal weight and quality. (Weaving wage given as labor cost). ....	.064	.135	.015	.163	.....	.....
1 yard all-wool sateen of botany wool of equal weight and quality. (Weaving wage given as labor cost). ....	.058	.65	.014	.30	.....	.....
1,000 common red building brick. ....	2.33	1.91	.....	.....	\$0.66	\$0.69
1 dozen ivory-handled table knives, practically same size, American make best English steel, English make ordinary steel. ....	.94	7.18	.85	3.65	.....	.....
1 dozen knife blades used for above knives. ....	.63	.55	.445	.40	.....	.....
1 gross green glass spirit bottles, equal capacity and weight. ....	1.88	2.25	1.15	1.91	.....	.....
1 ton (2,240 pounds) Hematite pig iron. ....	1.23	9.43	.79	11.25	.....	.....
1 dozen plain ironstone-china plates, equal size, American make half ounce heavier. ....	.22	.24	.15	.21	.....	.....
1 dozen plain cups and saucers same size, style, and weight. ....	.23	.25	.12	.36	.....	.....

*Wages in Woolen Manufacture.*

*A comparison of the wages of labor employed in woolen manufacture in the United States, England, France, and Italy.*

	Italy.	France.	England.	United States.
Sorters. ....	\$4.60	\$6.40	\$7.30	\$12.50
Washers or dyers. ....	3.00	4.25	5.00	7.00
Carders. ....	2.30	4.00	3.90	6.00
Gill boxes. ....	2.30	3.70	3.00	6.00
Comb minders. ....	2.30	3.70	3.00	6.00
Boss spinner. ....	7.00	9.25	12.60	18.00
Mule spinner. ....	5.80	6.20	7.30	9.50
Ring spinner. ....	2.30	4.00	3.00	6.00
Weavers. ....	3.00	4.60	4.00	9.00
Fullers and pressers. ....	3.50	4.25	6.00	7.00

bor while reducing the employment of our own, and would increase the circulation of American money abroad and reduce its circulation at home.

*Two Theories.*

In the framing of a Tariff law, two theories are at work: One, the Re-

publican theory of a Tariff which shall "equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries;" the other, the Democratic theory that Protection is "robbery" and that the Tariff ought to be revised by a system of "gradual reductions" down to "a revenue basis."

That is, by a system of "gradual reductions" it is proposed to take down the chimney, take off the roof, take out the windows, take down the walls, and, finally, remove the foundations of our industrial edifice, so that no one will be disturbed while being turned out of doors. [Applause on the Republican side.]

For illustration, the Dingley law contains fourteen schedules and a free list, embracing 463 classes of commodities, and these in turn embrace thousands of articles grown, manufactured, produced, bought, sold, and used by millions of people, and it is perfectly apparent that a system of "gradual reductions" would introduce a general condition of doubt and distrust in which no manufacturer would dare to buy raw material except in limited quantities to be manufactured in limited quantities and sold in limited quantities upon a shifting market.

The only system of "gradual reductions" the country ever had was Henry Clay's "Sliding scale," which slid into the panic of 1837.

#### *A Revenue Basis.*

And when we had reached a "Tariff for revenue basis"—when we had reached the bottom—what would we have?

A Tariff for revenue only is a Tariff on things the like of which we do not grow and produce. England collects more revenue per capita than we do, but she collects it on a Tariff for revenue only basis. A Tariff "for revenue only" is a Tariff only for revenue, and a Tariff for one thing "only" obviously can not be a Tariff for two things.

Therefore there can be no such thing as a Tariff for revenue only, with incidental Protection.

But there can be such a thing as a Tariff which shall "equal the difference between the cost of production at home and abroad, together with a reasonable profit to American indus-

tries," and that is what the Republican platform in the last campaign declared for.

Recognizing that there can be no such thing as a Tariff for revenue only, with incidental Protection, some gentlemen on the other side have become more or less open advocates of Protection.

#### *The South's Need of Protection.*

In the language of the New York Sun:

Alabama and Tennessee are becoming manufacturing States, and their prosperity depends largely upon their coal and iron industries. Their need of Protection is imperative. Georgia and the Carolinas are developing enormous industries in cotton products, which also need Protection. Louisiana would perish under a dispensation of Free-Trade in sugar and rice. Virginia has her tobacco, and so it goes. Each wants its own peculiar industry nourished by Congress, yet all join in denouncing "the party of Protection."

Other gentlemen recognizing that there can be no such thing as a Tariff for revenue only, with incidental Protection, have evolved a hybrid compromise between the demands of their constituents for Protection, which they can not safely disregard, and their platform utterances which they can not repudiate and retain their identity as a party, and propose a Tariff which would neither be high enough for Protection nor low enough for Free-Trade, to be reached by a sliding scale of disaster, compared with which the arid waste from '93 to '97, strewn with the skulls and bones of defunct business enterprises, would be as a drought to a desert.

That is, the duty which they would finally levy, when they had reached the bottom of the "sliding scale," would be constructed on the water-gauge plan, and would measure the flow of importation and collect toll therefrom, and the swifter the flow the greater the revenue, down to approximate Free-Trade. And the swifter the flow, the more American labor and American industries would be submersed.

But these gentlemen have not ventured to try to incorporate their various views in a bill.

#### *Trusts.*

But we are told in the Democratic

platform of 1908 that Protection Protects trusts and that "articles entering into competition with trust-controlled products should be placed upon the free list."

Let us examine this.

Trusts are corporations organized under the laws of various States—not under the laws of the United States—but trusts are not peculiar to the United States. The further the nations of Europe have advanced commercially, the more their industries have centralized, and a proposition to put articles the like of which are made by trusts upon the free list simply means the opening of American markets to foreign trusts, which are Protected in their own country against American trusts.

Not only are foreign trusts Protected, but foreign governments sanction and uphold them upon the theory that with steam-driven machinery it is better to run steadily and keep men steadily employed than to run haltingly to supply a fluctuating demand, and that by running steadily every unit of production is made cheaper.

Not only that, but these foreign corporate combinations have international trade combinations, by which they seek to regulate output and apportion trade among themselves.

Not only that, but they sell cheaper abroad than at home.

Not only that, but Germany owns 90 per cent of her railroads, and by 1957 France will own all of hers, and the government-owned railroads of Germany and France carry goods designed for export at lower rates than goods designed for home consumption.

Not only that, but the sea is no longer a barrier, but a means of cheap and easy transportation.

### *Two Factories.*

We live in a Tariff world and a world of corporate combinations, and a Tariff bill has to be framed with reference to conditions as they are.

Down to the beginning of the trust era the problem was simpler.

Let me illustrate. One example is worth a thousand arguments:

Assume for the purpose of illustration that the gentleman from Mississippi—if my friend will permit me—is

a foreign manufacturer, and that I am an American manufacturer.

I have no figures for other countries, but if he builds in England and wants to borrow money, he can borrow it cheaper than I can here; his machinery will cost him less than mine, his power will cost him less than mine, his belting will cost him less than mine.

We each begin to excavate for the foundations of our factories, and he pays his diggers the current wages of 80 cents a day if he builds his factory in England, 64 cents a day if he builds in Germany, and 40 cents a day if he builds in Belgium; I pay mine \$1.36 a day. We pay more than that in Michigan, but \$1.36 is the average for the United States.

### *Wages of Mechanics in England, Germany, Belgium and the United States.*

Then we begin to lay the walls, and he pays brick masons \$1.68 a day if he builds in England, \$1.04 if he builds in Germany, and 64 cents if he builds in Belgium. I pay \$4.40 a day.

He pays stone masons \$1.68 a day if he builds in England, \$1.04 if he builds in Germany, and 64 cents a day if he builds in Belgium, and I pay \$3.68 a day.

He pays hod carriers \$1.04 a day if he builds in England, 64 cents if he builds in Germany, and 40 cents a day in Belgium, and I pay \$2.32 a day.

He pays carpenters \$1.60 a day if he builds in England, \$1.04 if he builds in Germany, and 56 cents a day in Belgium, and I pay \$2.88.

He pays painters \$1.44 a day if he builds in England, 96 cents a day in Germany, and 56 cents a day in Belgium, and I pay \$2.80 a day here.

He pays plumbers \$1.60 a day if he builds in England, 88 cents a day in Germany, and 64 cents a day in Belgium, while I pay \$3.52 a day here.

We proceed to set the machinery, and he pays skilled machinists \$1.36 a day if he builds in England, \$1.04 if he builds in Germany, and 64 cents a day in Belgium, while I pay \$2.16 a day here.

It is obvious that in the labor employed in construction alone my factory has cost more than the foreign factory.

Before I get through I want to show



that the enforcement of a Protective Tariff has its ethical aspect. We have a civilization here on American soil which makes the average citizen, the average man, the best all-round man on earth, I believe.

Now, this is an industrial co-operative association in a broad way. Obviously we can not pull the rest of the world up to our standard, because the rest of the world is too big; but we can levy duties which shall prevent the pauper-made or cheaply made goods of foreign nations coming in here and competing with our better paid American labor. If we should put wage conditions here down to the foreign level, of course that would affect injuriously American citizenship.

#### *In the Absence of Protection.*

Now, let us get back to our two factories. We go on, and my friend Candler, who is personating the foreign manufacturer, turns out a case of goods, let us suppose, of cashmere cloth. I had a good deal of trouble to get commodities that could be compared accurately as to foreign-labor cost and American-labor cost. Suppose we are making cashmere cloth. He turns out a case of, say, 100 yards, and his weaving wage, as I have ascertained, would amount to \$1.30, and I turn out a case with a weaving wage of \$6.40.

In his factory all other expenses incident to the production of this case of goods amount to \$14.30 and in my factory to \$19.60.

Therefore he can lay his case of goods down at my factory door for \$15.60, plus cost of transportation, while my case of goods costs me \$26.

In the absence of Protection, there is but one thing for me to do, and that is to call out my men and explain to them that we must either shut up shop or that they must work for the wages paid abroad.

#### *Revenue and Protection.*

Just here the Tariff interposes and says to you: Mr. Candler, as a foreign manufacturer you pay no taxes here, you support no institutions, you build no schools, churches, benevolent or charitable institutions or homes for the unfortunate, you contribute nothing for public improvements or for

police protection; therefore we require you to pay a sum for the privilege of trading in our market which shall "equal the difference between the cost of production at home and abroad."

But you say in that case the price is increased to the consumer by the amount of the duty exacted.

Down to the beginning of the trust era, which is the culmination of tendencies which commenced long ago, the answer to this was that others seeing the success of my factory built other factories until my factory was multiplied by thousands and tens of thousands scattered throughout the country, and that these factories, by inventions and improvements and by competition among themselves, reduced prices to consumers in many instances, even below the duty exacted.

#### *Prices, Wages, Business.*

But suppose prices are not reduced below the duty exacted; suppose prices are not even reduced to the level of foreign prices; suppose even that prices are higher than foreign prices; what then?

Even though prices may not be reduced to the level of foreign prices, the more industries there are the more men there are employed and the more their purchasing power is increased, and as I have said before on this floor, the more men there are employed the bigger the town, and the bigger the town the better the market for the farmer, and the better the market for the farmer the more valuable the farm.

The more industries there are, the more capital there is employed and the more railroads, steamboats, and factories there are built, and the more mines there are dug and the more farms there are improved.

Some eight years ago, at the height of the trust transition period, it was estimated that only 12.8 per cent of the manufactured output of the United States was made by trusts, and that therefore 87.2 per cent of the manufactured output of the United States was made by competing independent industries.

The accuracy of that estimate has never been verified, but supposing only 50 per cent of the manufactured output of the United States is made by

competing independent industries, what would be the effect of the Democratic proposition to remove the duty from articles the like of which are manufactured by trusts?

Is it not perfectly apparent that if this policy would have any effect at all, its first effect would be to drive the smaller competing independent industry to the wall?

And when you had done that what would you have?

Is it not perfectly apparent that you would have great corporate combinations holding the field alone and dictating terms to producers and consumers and to labor?

And when you had done that, what would there be to prevent foreign and domestic corporations from organizing international trade combinations just as they are doing now in Europe?

And when you had done that, what remedy would labor have, what remedy would producers and consumers have, against the arbitrary prices fixed by international trade combinations?

Mr. COX, of Indiana. Will the gentleman tell us what remedy he offers for the control of the trusts?

Mr. HAMILTON. I am not personally put to the necessity of originating remedies for trusts. The Republican party, in response to a patriotic duty, has been considering conditions as they are, and as a party we have gone about the business of regulating combinations by law, and that apparently is the only way to accomplish it. We are now regulating corporations, in the language of the law, "affected with a public interest," like the great carrying corporations doing interstate business, but the regulation of private occupations rests upon a different rule, and it would take too long to discuss it now.

### *The Case of Certain College Professors.*

We are engaged in passing a Tariff bill for ninety millions of people. Of these 90,000,000 people about 29,000,000 are engaged in so-called gainful occupations, 10,000,000 in agriculture, 7,000,000 in manufacturing and mechanical pursuits, 5,000,000 in trade and transportation, and 7,000,000 in professional and domestic service, and any law which would discriminate for or

against any one of these industrial divisions would meet with universal execration.

The interlocking and interdependent relations of our whole population are illustrated by the case of certain college professors, discharged during the hard times from 1893 to 1897 because of the falling off of the income from certain railroad bonds held by the colleges employing the professors.

To trace the line of causation back to the cloistered professor of some dead language or political economy is interesting.

For various reasons, now known to all men, during the years from 1893 to 1897 times were hard, and, according to Samuel Gompers, 3,000,000 men were out of work.

Therefore, men out of work bought less and less at the stores; and the stores bought less and less of the factories; and the factories paid out less and less in wages; and the farmer sold less and less to everybody.

Then railroads, having less and less to haul from mill to merchant and for everybody, began to lose money, although they cut down wages, laid off labor, and laid off trains.

They failed to pay their fixed charges and operating expenses, and finally the railroads, being in the hands of receivers and being unable to pay the interest on their bonds held by the college employing the professors, the college was obliged to discharge the professors who

Taught the Free-Trade  
That shut up the shops,  
That shut down the mills,  
That shut off the traffic,  
That ruined the railroads,  
That stopped the interest,  
That paid the professors their salaries.

This is the industrial house that Wilson built.

### *What Are We Protecting, and Why?*

This Government does not belong to a few of us. It belongs to all of us, and we are engaged in passing a Tariff bill, not for some of us, but for all of us—buyers and sellers, producers and consumers—engaged in many occupations, and inasmuch as every man is a producer as well as a consumer, a buyer as well as a seller; and inas-

much as every man as a buyer wants to buy low, and as a seller wants to sell high, he illustrates in himself the impossibility of putting prices up for the benefit of sellers or putting prices down for the benefit of buyers.

We are engaged in passing a Protective Tariff law. What are we to Protect and why?

First, we are Protecting a civilization here, which, under the form of democratic self-government, is seeking to preserve the right of men to exercise their faculties in lawful occupations, jointly or severally; and to preserve the opportunity of all by restraining the monopoly of opportunity by a few.

Second, as a part of this preservation of this democracy of opportunity, we propose to maintain a wage scale among American laboring men which shall enable them to maintain their own self-respect.

Third, to do this, it is necessary for us to hold the wage level of our people above the wage level of other nations by a Protective Tariff which shall "equal the difference between the cost of production at home and abroad."

#### *One of Two Things Would Happen.*

If the products of the labor of poorly paid foreign workmen were admitted to our markets duty free to compete with the products of our better paid workmen, one of two things would happen: Either American labor would have to go down to the industrial and social level of foreign labor, or else we would have to raise the industrial and social level of the rest of the world, which is impossible.

The nearest approach we can make to the raising of the level of foreign workmen is by admitting some of them here subject to reasonable restrictions and merging them into our own population.

In the exercise of these reasonable restrictions, no doubt the exclusion of coolie labor makes it harder to get "help" on the Pacific slope.

No doubt the contract-labor law makes it more difficult for employers to dictate terms to labor.

But if coolie labor may be imported from across the Pacific and the lower forms of European labor from across the Atlantic for the purpose of allow-

ing them to underbid American labor, then obviously we do not raise the level of foreign labor even on our own soil, but we lower the level of our own labor.

As a nation we are engaged not only in building factories and raising crops, but in raising men.

In this way the Tariff question becomes an ethical question.

In the maintenance of this Protected co-operative union of American labor and American industries, we have no right to exclude any territory appurtenant to the United States nor to discriminate for or against any race, section, or class under our flag.

Protection is for the Protection of the American people—not of any particular interest.

Protection is for the Protection of our American industrial democracy—not of any industrial oligarchy.

It is inadequate if it forces any industry to reduce American wages to the level of foreign wages.

It is indefensible if it is so levied as to legislate wealth into the hands of any special interests.

In this way Protection becomes a question of patriotism.

#### **A Massachusetts Plea in Favor of Free Hides.**

*From the Congressional Record of April 7, 1906.*

AUGUSTUS P. GARDNER, of Massachusetts. Mr. Chairman, with regard to this question of free boots and shoes raised by the gentleman from Texas [Mr. Bursleson], and I would like to have his attention for a moment, the gentleman knows very well that hides always were free until the Dingley bill was enacted. He knows very well that boots and shoes always carried a duty of from 20 to 30 per cent when hides were free. Upper leather carried a duty of 20 per cent when hides were free throughout the period of the Wilson Act and at all other recent times prior to 1897.

Sole leather carried a duty of 10 per cent. Then came along the Dingley bill, and Congress said we will put 15 per cent duty on hides, and in return we will raise the duty on boots and shoes from 20 to 25 per cent, and on sole leather we will raise the duty from 10 per cent to 20 per cent. We will leave

upper leather where it is. Now, when we reverse the situation and take the duty off hides we are willing to give you more than you gave us when you put it on. We accept 15 per cent on boots and shoes where we had 20 before. We accept 5 per cent on sole leather where we had 10 per cent before. We accept 15 per cent on upper leather where we had 20 per cent before the duty on hides was imposed. Now, the gentleman from Texas tells us that he can not vote for free hides because it is not a fair exchange, although we are conceding him more than we received when hides were put on the dutiable list. Now I yield to the gentleman from Indiana.

Mr. COX, of Indiana. Mr. Chairman, does the gentleman believe that it is fair for that western country to raise the cattle and for the manufacturers in New England to get their hides free and at the same time have an enormous rate of duty on the manufactured products of boots and shoes that we out in that country must buy?

MR. GARDNER, of Massachusetts. Mr. Chairman, the gentleman's cows are Protected from tail to horn, and his farmers are mighty well Protected in other respects. Moreover, the shoe and leather trade must pay a duty on tanning extracts and dyes. We are not getting our raw materials free. Now, to go on. You say, Give our farmers what they are giving you and we will be satisfied. We are giving you more. If you calculate a reduction of 10 per cent on the duty on boots and shoes you will see what it means. Why, I remember hearing people argue in this House as to how much more a pair of shoes will cost if you have a duty on hides. The gentleman from Ohio [Mr. Keifer], who thinks that upper leather is not ever dutiable leather, shakes his head, because he does not know what farmer's upper leather is made of. Now, the fact is that nobody claims that the hide duty adds as much as 15 cents to the cost of a pair of shoes, and yet we are giving the farmer more than 15 cents in return for free hides. We are giving up 10 per cent of the duty on our finished product. Under the Payne bill, if you import a pair of \$2.50 shoes we give up 25 cents of our Protection. If you could import shoes as cheap as \$1.50 per pair, then we should be giving 15 cents off our Protection. If you import a \$5 shoe, we

must yield 50 cents of our present Protection.

### The Nation Adhering to Protective Policies Has Enjoyed the Highest Measure of Prosperity.

*From the Congressional Record of April 7, 1909.*

JAMES S. SIMMONS, of New York. In considering this bill the following equally important objects must be constantly kept in view, namely:

Revenue for carrying on the Government; proper Protection for the manufacturing industries; adequately remunerative employment for operatives; and fair treatment for the great army of consumers.

To enable the Government to collect the revenues estimated under this or any Tariff act, the country must be prosperous, and for this condition to exist our factories must be constantly operated so that our people may be fully employed, and thus become possessed of purchasing power.

Never, since the foundation of our Government, does history record that any of the above-mentioned co-ordinate factors prospered but that all prospered. Never at any time has one of them been depressed but that all have been depressed, and the Tariff law enacted at this special session of Congress will determine the immediate business future of this Nation.

It must be admitted by every Member of this body that it is through the prosperity of our manufacturers, and the high scale of wages maintained thereby, that we derive national prosperity to a greater extent than from any other source, and time has fully demonstrated that a condition of prosperity to our manufactures can be accomplished only by a Protective Tariff.

The wisdom of this policy of the Government has been so conclusively proven that I do not think it admits of argument.

In the past twelve years of our national life, under the operation of the Dingley Tariff law, not only has our Nation recorded its most phenomenal industrial growth, but the like of it has never been known in the history of the world.

The experience of every country of the world has clearly demonstrated that the

nation adhering to Protective policies has enjoyed the highest measure of prosperity.

### *Vast Differences Attributed to Our Tariff Laws.*

No more forcible illustration of this statement can be given than a comparison of the growth and development made by this Nation and our close neighbor, the Dominion of Canada.

In a speech made in my home city several years ago by one of the most prominent men of the Canadian country, he stated that Canada had as large a land area as the United States; that it was as rich in mineral and timber resources as was the United States; that its agricultural resources were as great and as extensive as those of the United States; and that, while the two countries had begun their national lives about the same time, the United States had reached a population of more than 80,000,000 of people, with the accumulation of almost incalculable wealth, while Canada had, within the same time, only reached a growth of about 6,000,000 of people and proportionately a much smaller aggregated wealth.

He stated that he attributed these vast differences in population and wealth more to the Tariff laws existing in the two countries than to any other reasons, the American Nation having maintained for many years a Tariff for Protection as well as for revenue, while Canada had mainly followed the policy of Tariff for revenue only.

He stated further that he thought existing conditions had demonstrated beyond question that our policy of Tariff for Protection was correct, and that he rejoiced in the fact that his Government was revising its Tariff laws on lines of Protection to their industries and their labor; and this policy is now being pursued by the Canadian government in a most vigorous manner.

### *Protection Urged for Pulp, Paper and Lumber.*

I represent a district which is one of the largest producers of pulp and print paper in the United States—a district having a capital invested in this industry amounting to \$5,000,000, with a production valued at \$2,500,000, and giving employment to over 2,000 operatives. I reside on the very borders of Canada,

which country is the great competitor of ours in the production of these articles. I know that by reason of the lower cost of pulp wood in Canada, the low scale of Canadian wages, and its cheaper power, if pulp is put on the free list and the print-paper duty reduced to \$2 per ton, our industries will be completely driven out of business.

I am satisfied that under the present Tariff on these articles the American manufacturers thereof make but a fair and reasonable profit, and such profit the Republican national platform assured this industry it would receive. I favor the maintenance of the present rate of duty on these articles; but if, in the wisdom of the House, revision shall be generally downward throughout the bill, I contend that under no circumstances should the duty on print paper be reduced below \$4 per ton. This would be a reduction of 33 per cent from the rate under the present (Dingley) law and would, in my opinion, be more radical than the prevailing reductions, in the bill.

I also find my constituency most unjustly treated in the schedule covering rough lumber. That this great American industry, together with the pulp and paper industries, should have been singled out for slaughter in this bill is a condition beyond comprehension.

### **Every Tariff Bill Must Necessarily Be a Compromise.**

*From the Congressional Record of April 7, 1909.*

CHARLES E. FULLER, of Illinois. More important than any schedule or any rate of duty is that the matter should be definitely settled, and that every business interest in the country should know what to expect and to depend upon as to Tariff duties and taxation. I only desire to say now that I am a Republican, and therefore a Protectionist. I believe, as firmly as I believe anything, in the Republican doctrine of Protection to American industries and to American labor; Protection of the one is necessarily a Protection of the other. Under all the circumstances, I am for this bill as it is.

Every Tariff bill calculated to raise revenue or to Protect the industries of the country must necessarily be a compromise, and we must each give up

something to the opinions and interests of the others, and each separate section of the country must waive something for the general good. The business of the country waits and prosperity halts until final action is taken by this Congress. I hope it may prove that the law when enacted will produce sufficient revenue for the needs of the Government, and that at the same time it may reasonably Protect all American industries and give full employment to all American laboring men. Then, indeed, shall we reasonably expect a return of the great prosperity that has heretofore been the good fortune of this Nation, and which has made the progress and development of this country the wonder and admiration of the world.

### A Southern Democrat Who Supported a Protective Tariff Bill.

*From the Congressional Record of April 7, 1909.*

FRANK CLARK, of Florida. The Democratic party has declared, as the gentleman from Texas well knows, for a Tariff for revenue only. It has declared for a Tariff for revenue with incidental Protection, and I believe that is the most sensible declaration it ever made on the subject, because it is absolutely impossible to fix and collect a duty on any article coming into this country in competition with like articles produced here unless you do add a measure of Protection to the people who own and sell such like articles so produced in this country. [Applause on the Republican side.]

I will tell you what I said to my people and what they said to me: As long as a Protective Tariff system prevails in this country, as long as the articles we have to buy are taxed, as long as my people have to bear the burdens of it, they say that we ought at least to have a division of the benefits. [Applause on the Republican side.] That is where I stand. You may call it "swag" or what you please, but I represent as intelligent and patriotic a constituency as the gentleman from Texas does. [Applause on the Republican side.]

Mr. SHACKLEFORD. Let me ask the gentleman one more question. The gentleman from Florida wants a tax on sea-island cotton. I want to know if he is

willing, in order to get a Tariff on sea-island cotton, to join the Republicans in putting an increase on hosiery and knit goods and tea and coffee and the other things that they have in their bill?

Mr. CLARK, of Florida. I stated a while ago that all legislation was the result of compromise.

Mr. SHACKLEFORD. Mr. Chairman—

Mr. CLARK, of Florida. I will answer. I will give a categorical answer, but I will do it in my own way. I have said there are diverse interests all over this country. I do not expect to write this bill. It would be presumption to go to these gentlemen and ask the privilege of doing so. I do not know whether they are going to put sea-island cotton in the bill or not. I do not know anything about it at this late hour, I can assure the gentleman; but I said this in the beginning of my remarks, that if they put into that bill what my constituents sent me here instructed for, I shall not undertake to dictate what else they shall put in it after getting what my people want—

Mr. SHACKLEFORD. You will take theirs?

Mr. CLARK, of Florida. I will vote for the bill; yes. [Applause on the Republican side.]

### *Tired of Living Back in the Years Before He Was Born.*

I want to say this, Mr. Chairman, in conclusion. I do not care anything about the scoffs and jeers of these people. I came to my own conclusion, and my people have come to theirs. You folks do not elect me to Congress. You do not send a Representative from the second district of Florida here to represent that district. I am here to represent the 225,000 or 230,000 people in that great district which sweeps the entire eastern coast of Florida. There is not a State in the Union that is not represented in that district by some citizen from that State.

They are wholly American in every respect. They have come from all over this Union there; they have married and intermarried with our people, and it is as thoroughly an American community as there is in the broad expanse of this Republic; and I am tired of living back in the years before I was born. [Laughter and applause on the Republican

side.] Democracy ought to be progressive if it is anything; it ought to keep pace with the times; it ought to meet the conditions as we find them; and I do not concede for a moment that you gentlemen represent the Democracy; you do not represent it any more than I do. I will meet you, if I live, at the next national convention, and we will see who is in control and who represents the Democratic sentiment of this great Republic of ours. [Loud applause on the Republican side.]

### **For a Liberal Protective Duty on Barley.**

*From the Congressional Record of April 9, 1909.*

CHARLES H. BURKE, of South Dakota. Mr. Chairman, as a Republican and Protectionist and in behalf of the people of my State and of the other great States in the agricultural West, I want to say a word in favor of the amendment offered by the gentleman from Kansas. I earnestly appeal to the Members of this House to vote to restore the duty on this product from the rate stated in the pending bill to 25 cents per bushel, which is 5 cents less than the duty under the existing law.

### **Barley Entitled to a Duty That is Prohibitive.**

*From the Congressional Record of April 7, 1909.*

ASLE J. GRONNA, of North Dakota. We are producing in North Dakota, as my friend from South Dakota [Mr. Burke] has said, more than 18,000,000 bushels of barley. I am not here to say whether or not 25 cents a bushel is the duty needed to protect us on barley, but I do say that we are entitled to a duty that is prohibitive because we can raise more barley than we can consume.

Mr. Chairman, we are using an acreage of about thirty-two millions in the United States in raising barley. We have 45,000,000 acres in North Dakota alone, and we can produce more barley than you can use in the United States.

### **North Dakota Farmers Vitaly Interested in the Tariff on Barley.**

*From the Congressional Record of April 7, 1909.*

LOUIS B. HANNA, of North Dakota. There is no product in North Dakota, to my mind, at the present time, which is so vitally affected by the Tariff as is barley. It is contemplated under the provision of the Tariff bill which is now before us to reduce the duty on barley from 30 cents, as provided by the present law, and to make the duty 15 cents per bushel. The gentleman from Kansas has made a motion to increase the Tariff as contemplated from 15 cents per bushel to 25 cents per bushel, and it would seem that his motion should prevail. It costs the farmers of North Dakota every cent of 15 or 20 cents per bushel to put their barley into the markets of New York State and in New England. With this proposed reduction of the Tariff, barley will come into the United States from Ontario in competition with the barley which is raised in the Northwest, and the American farmer of the Northwest will not be sufficiently protected if the Tariff is made 15 cents per bushel as against the barley raised by the farmer in Canada. The production of barley in the United States under the Dingley law of 30 cents a bushel has gone up by leaps and bounds, and to-day we are raising in the Northwest barley sufficient for the needs of the whole country, and last year there was practically no barley imported into the United States. In the Northwest there are 500,000 farmers raising barley, and they are asking and sending petitions to us by the hundred that the Tariff on barley shall be let alone and stay where it now is, and as near as I can find out there are only some half dozen men in the State of New York interested in the brewing and malt business who are asking for the reduction of Tariff on barley and barley malt.

### **Inordinate Local Selfishness to Demand Free-Trade in Lumber.**

*From the Congressional Record of April 7, 1909.*

WILLIAM E. HUMPHREY, of Washington. I am not greatly enamored of the Republicanism of the gentleman from Minnesota [Mr. Tawney] as shown

by his record in regard to the Tariff question. But yesterday he favored a Tariff on lumber. Then his district produced lumber. To-day he favors a high Tariff on barley and Free-Trade on lumber. His district no longer produces lumber, but it does produce barley. What he will want on the free list and what he will want Protected to-morrow will be measured by the harvests that are reaped in his district. Republicanism dictated only by human selfishness in a sublime desire to profit at the expense of others does not command my respect.

It has been repeatedly urged by each side of the House that Protection on farm products is a fraud. If this be true, why clamor for additional duty on barley? The lumberman buys more dollars' worth of Protected products from the farmer, three to one, than the farmer buys lumber from him. Why should not the lumberman have farm products free if the farmer is to have free lumber? Never before in public life has there been a more complete example of inordinate local selfishness and utter disregard of the interests of the country at large than has been displayed here by certain gentlemen who have cried out for a duty on hides, an increased duty on barley, and then demand that lumber and everything else not produced in their districts shall go upon the free list. The opposition led by these men is responsible for the rule that has placed the great industry of lumber in jeopardy. They are responsible for delaying this bill for several days, which, according to the estimate of the Speaker and other prominent men, has meant a loss of many million dollars to the country. But for their opposition this bill would now be in the Senate. I admit that it is the right of any Member, if he wishes, to vote for any schedule or against any schedule; that it is his right to Protect his own interests; that it is his right to demand an increased Protection upon his products. But I deny that it is the right of any man or any set of men to demand that they be taken care of, that they be given special privileges, at the expense of the other industries of the country. I deny that it is the right of any man to demand that everything his district produces be Protected and everything that is bought by that district be placed on the free list. Men who make such demands are not following Republican

principles—they are following personal interests. [Applause.]

### No Duty on Coffee.

*From the Congressional Record of April 7, 1909.*

SERENO E. PAYNE, of New York. We do not propose to put a Protective duty on coffee for the small amount that can be raised in the possessions of the United States. I am sorry not to be able to accommodate my friend from Porto Rico, but we can not do it, in justice to the consuming public of the United States. One argument against putting any duty upon coffee, even for revenue, is that under it these people might put their money into coffee, and after a while on the strength of producing 15 or 20 per cent of the consumption in the United States, would come in and make a claim that they had invested their money relying upon this Protection, and would remonstrate against taking the duty off.

### Tariff on Glue.

*From the Congressional Record of April 7, 1909.*

JOHN A. T. HULL, of Iowa. Let me say. Mr. Chairman, that the countries of Austria and Germany are now Protecting themselves against us more every year. The amount imported, even under the Dingley rates, has increased each year. We have got to Protect ourselves in a reasonable way, and at least 2½ cents on glue is not an extravagant duty. To my mind the House will do a great injustice to that industry, which is not localized in any one part of the country, but extends wherever there is a packing-house interest, independent, or in Chicago, and uses a product that would otherwise go to waste. I hope the committee amendment will be adopted.

### A Protective Duty Needed by Southern States.

*From the Congressional Record of April 7, 1909.*

SERENO E. PAYNE, of New York. This amendment. Mr. Chairman, increases the duty on crude barytes from 75 cents to \$1.50. There were extensive



hearings on this matter. Those interested asked for an increase from 75 cents to \$5, and rather prejudiced their case by their extravagant demands. The committee in reviewing this matter read again the evidence and came to the conclusion that they were fairly entitled to this increase, doubling the duty from 75 cents to \$1.50. The duty on refined under the Dingley law is \$5.25 a ton, and we have retained that duty.

Mr. MANN. What is the present law on the crude?

Mr. PAYNE. Seventy-five cents, and we have increased it to \$1.50.

Fifty per cent of it is mined in Washington County, in the State of Missouri, by a number of small miners and people of small means. It is used as a mixture in paint. The United States Army officials have examined the subject through some experts and say that it is a valuable ingredient in paint, and, mixed with lead, it prevents the lead from blistering, and so forth, and so is valuable as a mixture.

Mr. HAMILTON. Where is it produced?

Mr. PAYNE. Oh, in the Southern States; some in Missouri, much of it in the Appalachian Range, and also in the State of Tennessee. It is wholly a Southern industry; and, of course, the committee, looking after all sections of the country, have been peculiarly kind to the South in Protecting their industries wherever the idea of Protection could be legitimately advanced, and we thought that they ought to have an increased duty on this because of the importations under the duty of 75 cents a ton.

### Tariff on Barytes.

*From the Congressional Record of April 7, 1909.*

POLITTE ELVINS, of Missouri. Mr. Chairman, unlike the gentleman from Kentucky [Mr. Stanley] I am not a Democrat, but am a Republican of the Protectionist brand, and therefore I am in favor of this increased duty upon barytes. The gentleman from New York [Mr. Harrison] has just stated that 52 per cent of all of the barytes in the United States is produced in Washington County, Mo. Such is nearly the fact, and Washington County is in the district that I represent in this body, and I

rise to urge this increase in Tariff on her chief product that she may become a rose in the bouquet of general prosperity.

None of these gentlemen has offered to put his product on the free list in case barytes is put on the free list, although it is his raw material. The labor is our "raw material," and we want it Protected against the cheaper labor of Germany. If some of the wise legislators across the aisle or elsewhere will raise the daily pay of the tiff diggers of Germany and Newfoundland to the wage that is demanded and ought to be regularly had by the barytes miners of my district, I shall consent that barytes may go upon the free list, but I shall never consent that the wages of the miners of Washington County be cut down to an equality with those of the foreigners mentioned to please the fancy of raw-material men, Free-Traders, or anybody else. [Loud applause.]

### Protect Labor's Products and You Protect Labor.

*From the Congressional Record of April 7, 1909.*

RICHARD BARTHOLDT, of Missouri. The differences between the gentleman from New York [Mr. Harrison] and myself on this question can not possibly be reconciled, for the simple reason that the proposed amendment is proposed in the interest of Protection to the American miner as against the miner in foreign countries. It is the difference between Protection and Free-Trade and between the Democratic party and the Republican party. We try to give employment to American labor, while if this amendment is not adopted, we will use barytes mined by foreign labor. That is the difference.

Mr. LIVINGSTON. Are you not allowing hundreds of thousands of foreign laborers to come into this country every year?

Mr. BARTHOLDT. I want to say to the gentleman that the mines and mills in Missouri and in other States which produce barytes are now closed. The miners are idle, and the men who have invested their capital in that industry receive no return from it. In order to revive that industry, it is absolutely necessary that the Republican party should apply the principle of Protection

as it has been applied, through this very bill, to many other industries of the country.

Mr. LIVINGSTON. What is the difference between Protecting foreign laborers in Germany and bringing them here and Protecting them here?

Mr. BARTHOLDT. Oh, that is a question which touches an entirely different phase of national economy. I would rather manufacture in this country, I would rather have the foreign laborer come here and manufacture here, thus becoming American consumers, instead of having our products manufactured abroad and coming here as ballast in ships.

### Would Give All Industry the Benefit of the Doubt.

*From the Congressional Record of April 8, 1909.*

JOHN P. SWASEY, of Maine. Now, we hear on the other side of this Chamber arguments in favor of Tariff and Tariff for revenue only, and I thought, from the way delegations divided, of the old Democrat down in Virginia that I heard of in the last election, who said he voted for Bryan, but when he dropped his ballot in the box he was silently praying for Taft.

Now, I am a Protectionist, and I am for Protection that means Protection. I am not for a Protection to American industries that leaves any industry deserving Protection at the hands of Congress on the ragged edge and in doubt, living between hope and despair. I am in favor of putting a duty upon competitive product of American manufacture that is certain to Protect them.

Mr. COX, of Indiana. The gentleman announces that he is a Protectionist. Will the gentleman inform the committee whether he is a modern-day Protectionist or an ancient stand-patter?

Mr. SWASEY. I am older than some and younger than some. But I am for Protection, as I say, that will Protect. I would give the industry the benefit of the doubt. The duty had better be too high than too low. The duty can be reduced if too high easier than the industry can be raised from its ashes. This word "downward," to me, has an ominous sound. I believe it to be true that every time there has been a reduction in the American Tariff it has been fol-

lowed by a reduction of American wages. I stand for 30,000,000 of wage-earners and 11,000,000 of farmers who are producers, and all consumers as well.

### Tariff On Pulp and Paper.

Now, the particular industry to which I call the committee's attention is one in which I am greatly interested. My constituents are greatly interested in it. A select committee was appointed of Members of this House. The distinguished gentleman from Illinois [Mr. Mann], who is now present, was made chairman. That committee was appointed upon a cry that is so startling to us Americans, "combinations in restraint of trade;" or if they want to make it more effectual, they will holler "trusts." And who was behind that cry? The great combination of the American Newspaper Association, a worthy association, a great educational industry, one that we can not do without in this country; and yet they have a power over and above any other combination of men in the United States. They said, according to Mr. Mann's report, and the resolution that was introduced in this House, that there had been a combination in restraint of trade; there had been a combination—conspiracy, as the gentleman from New York [Mr. Malby] said this morning—to raise the price of print paper and to put the American Publishers' Association to an additional expense of from \$24,000,000 to \$60,000,000.

### There Is No Conspiracy.

That cry has been kept up, notwithstanding the distinguished gentleman from Illinois, who was appointed chairman of the committee, has reported that he found no conspiracy; that he found no combination; that he found no trust; and his examination was accompanied with that thoroughness and desire to discover the facts for which the honorable gentleman is characteristic. He will say, further, in my opinion, that no industry in the United States of its magnitude or within reach of its importance to-day or any day since that resolution was introduced in the House, is freer from the taint of combination, freer from any conspiracy to control or raise its prices, and is open, more than any other great industry, for competitive bidding.

Now, I want to come down to the

question of the Tariff. Why, Mr. Chairman, I ask, does any committee of this Congress desire to single out a great industry that has made so many homes, that has expended so much money; that has made such vast investments, that has issued its bonds and its securities until they have found lodgment for investment in the hands of thousands of men and women in this great country—why, I say, have they singled out that industry to reduce the duty upon its product?

### The Interests of Forest Conservation Cannot Be Served By Making Paper Cheaper.

*From the Congressional Record of April 8, 1909.*

GEORGE R. MALBY, of New York.

Mr. TIRRELL. Is it not a fact that the paper companies own about 5,000,000 acres of timber land in this country?

Mr. MALBY. I so understand it.

Mr. TIRRELL. And that in order to conserve the forests they are now purchasing about one-third of their logs in Canada so as to cut down their own timber only when it has reached a proper growth, thereby conserving the forests of the United States?

Mr. MALBY. Undoubtedly the statement of the gentleman is true. I would have made that statement myself, but I understood it was already in the Record.

It is an entirely fair suggestion that should the American manufacturers be destroyed or seriously crippled, the price of paper will go up instead of down. The interests of forest conservation can not be served by making paper cheaper. They are best served by making paper dearer. Who will plant a tree in place of one cut down when the one cut down is scarcely worth the cutting? What the people of this country want is not larger newspapers and more bad magazines, but smaller newspapers and better magazines. [Applause.]

### The Only Great Conspiracy.

There is but one further suggestion which I desire to make in closing, and that is that the great conspiracy which it now appears—if it ever had any existence—is represented by certain members of the American Newspaper Pub-

lishers' Association, who were successful in creating a false impression and maliciously libeled the great paper industry of this country and the honorable gentlemen who are engaged in it in order that they might secure cheap paper and not for the purpose of redressing any wrong—a wrong which never existed, and which they never had the slightest reason or authority to believe or claim did exist. We have been told that the past twelve years has witnessed an era of prosperity unprecedented in this or any other country on the globe since the beginning of time. In the main, this may be said to be true; but what of those who have struggled along in the paper industry? How have they fared and how have they shared in this general prosperity? Who is there who can demonstrate or even claim that any considerable portion of this prosperity has been theirs?

### Entitled to Consideration.

The International Paper Company, the greatest of them all, after an unprecedented struggle has been able to pay the interest on its bonded indebtedness; for a short period it paid 6 per cent interest on its preferred stock and none on its common stock. For the past year its net income has dwindled to practically nothing, and it now pays the interest on its bonds and 2 per cent on its preferred stock, and it may be said that this corporation is one of the best managed in this country. The St. Regis Paper Company, referred to by Mr. Mann, chairman of the committee, having a capital of over \$2,000,000, has scarcely paid a dividend on its stock, and the Remington Paper Company, with a capitalization of several million dollars, has practically paid nothing to its stockholders. The Gould Company, which was fortunate enough to possess its own lands and purchased very little outside, has been able to pay a dividend of 6 per cent. How does this compare with the record of any other industry during the past twelve years, and what possible justification can there be for making their matters worse? We have had abundance of prosperity in this land, but none of it has come to the paper maker or the stockholders of this kind of property. Thousands of citizens throughout the land are owners of stocks and bonds in these corporations. Are

they not entitled to a little consideration at the hands of Congress? [Applause.]

### Cost of Pulp and Paper Production In the United States and Canada.

*From the Congressional Record of April 8, 1909.*

WILLIAM H. STAFFORD, of Wisconsin. Prior to the hearings much was heard in justification of the old Tariff, that labor was cheaper in Canada than in the American mills; but the testimony discloses, without contradiction, that skilled labor in the Canadian paper mills proper receive as high wages, and in some instances higher, than in the States. This is ascribable to their having been induced to leave employment in American mills, for which they demanded a higher wage. So also in the scale of wages paid to the unskilled labor in the paper mills. Their wages are generally on a par with those in this country, and if time permitted I would read the average wages paid in all classes of employment in the Eastern and Western American mills and in the Booth mill, which is an up-to-date Canadian mill, located at Ottawa.

An analysis of the cost of production as disclosed by the hearings of the International Paper Company, which manufactures 30 per cent of the news print paper of this country, with mills located in New York, Massachusetts, and New Hampshire, and of the Booth mill at Ottawa, upon the basis of 80 per cent of ground wood and 25 per cent of sulphite pulp in a ton of paper, without including repair cost or selling cost, shows that the cost to the International Paper Company for 1 ton of paper would be \$30.05, of which \$11.53 would be for ground wood, \$7.84 for pulp, and \$10.68 for other materials and cost of conversion; while in the Booth mill the total cost for a ton of paper on the above basis would be \$28.33, of which \$9.10 would be for ground wood, \$7.46 for sulphite pulp, and \$11.82 for other materials and cost of production.

The returns further show that the cost of production in some of the New York paper mills, such as the St. Regis and the Gould paper companies' mills in the Watertown district, is less by more than a dollar a ton than that of the International Paper Company; while the cost of production in the three western mills

located in Wisconsin and Minnesota that made returns of their cost of operation is also less by more than a dollar than that of the International.

The schedules of cost of the eastern and western mills will prove that the cost of production does not vary much from the cost of the Canadian mills, and that \$2 a ton more than equals the difference in the cost of production.

In the arguments of the two gentlemen to-day no mention whatsoever was made as to the varying cost of production between Canada and the United States. Those gentlemen assume, by their silence, that the statement made the other day by the gentleman from Illinois [Mr. Mann], the chairman of the paper committee, is true, that wages paid in Canada are equal to, if not in excess of, the wages paid in this country.

Now, with a line of manufacture on the same plane as that in this country, what harm can come by permitting Canadian paper makers to compete in our markets, if we thereby insure the perpetuity to the American paper manufacturer of a perpetual supply of pulp wood?

### How Pennsylvania Deals with the Trusts.

*From the Congressional Record of April 8, 1909.*

WILLIAM H. GRAHAM, of Pennsylvania. It is the never-ceasing cry, especially in my own State among local Democrats who have no desire to offer any Protection whatever to our industries as well as among those malcontents in our own ranks—or fusionists, otherwise more popularly known as “insurgents”—that the good old Commonwealth of Pennsylvania is the mother of trusts. I want to state that the State of Pennsylvania always has and it will continue to encourage its corporations. But what else does Pennsylvania do? She in turn taxes these same corporations, of course, and the result is today that the people are not taxed for the maintenance of our State government. These expenses are all paid out of the taxes received from these same corporations which we welcomed to us,

which we assisted in starting. Our State appropriates annually many millions of dollars toward the support of institutions not under management of the State, such as hospitals, asylums, and all sorts of institutions for the relief of suffering humanity. And that is not all; from these revenues raised by taxation of corporations our State returns to the counties for support of common schools from three to four millions of dollars. In this connection, it is my opinion that some of the other States in the Union, aye, many of them, might do well to follow our example, instead of so heavily taxing its farmers and wage-earners generally.

#### *Pay Roll of One County One Million Dollars a Day.*

I am for Protection. I believe in Protecting our industries with a view to continuing our present prosperous conditions, for in Protecting them is not the country reaping the benefits by their employment of labor and the maintenance of our high wage scale and standard of living, the highest by far in all the world? It is our bounden duty to endow our citizens with every possible facility and advantage, and it is for that reason mainly that I am for a high Protective Tariff. It may not be lacking in interest here to state, Mr. Chairman, that under ordinary conditions the pay roll in my county, the little "State of Allegheny," is something over \$1,000,000 a day. That is, I speak of conditions under a Protective Tariff. I remember however, the distressing times that followed the passage of the Democratic Free-Trade Wilson bill; how the manufacturing industries throughout the country were paralyzed, factories closed down, employees thrown out of work; hard-working, honest men, who had never known the true meaning of idleness before, forced to tramp from city to city searching for work; soup houses established in every city in the land; and such distress throughout the country as had never before been witnessed. But this is ancient history, and I will not take up the time "in stirring up your pure minds by way of remembrance" of these harrowing scenes, that I trust will never be repeated—certainly not unless the Democratic party should be restored to power and attempt a repetition of their Free-Trade fallacies.

#### **Protection for the Briar Wood Pipe Industry.**

*From the Congressional Record of April 8, 1909.*

SERENO E. PAYNE, of New York. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Paragraph 194, page 54, line 5, after the words "lace-making machines," insert the following: "including machines for making lace and machines for making nets and netting"; and in line 7, after the words "lace-making machines," insert the following: "including machines for making laces and machines for making nets and netting."

The question was taken, and the amendment was agreed to.

Mr. PAYNE. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Paragraph 198, page 55, lines 23, 24, and 25, strike out the words "briar root or briar wood and similar wood unmanufactured, or not further advanced than cut into blocks suitable for the articles into which they are intended to be converted"; and insert at the end of the paragraph, on page 56, line 7, after the word "valorem," the following words: "briar root or briar wood, ivy or laurel root, and similar wood unmanufactured or no further advanced than cut into blocks suitable for the articles into which they are intended to be converted, 25 per cent ad valorem."

Mr. HARRISON. Will the gentleman please explain the reason for the imposition of this duty?

Mr. PAYNE. Yes; these are on the free list. The proposition is to let them pay a duty of 25 per cent for revenue. It appeared to the committee that briar root or briar wood was formerly produced, or rather gathered, in this country in large quantities for the purpose of making pipes. It was quite an industry in some of the Southern States, and regarded always of the interests of the Southern States we have put a Protective Tariff on this briar root and briar wood of 25 per cent ad valorem in order to revive that interest, so that the South may supply the American smoker in the matter of briar root pipes instead of importing foreign wood for that purpose. It is to encourage this Southern industry.

Mr. MANN. I want to ask the gentleman if the supply of briar wood in the United States is sufficient to furnish the demand for all briar wood pipes?

Mr. COWLES. Yes; the material that

this will cover will furnish material enough to make all the pipes in the world for years to come. I will further state for the gentleman's benefit, if he will permit me, that the McKinley bill placed a duty of 20 per cent ad valorem on briar wood, and during that time a number of factories sprung up in North Carolina, and perhaps in Virginia and Tennessee, manufacturing material from which pipes are made.

### A Southern Democrat's Appeal for a Protective Duty on Rice.

*From the Congressional Record of April 8, 1909.*

ARSENE P. PUJO, of Louisiana. The effect of this amendment, in a few words, is to apply the present rate of duty on rice shipped from any foreign country into the United States; also against rice which might be shipped from the Philippine Islands; that is, as to this amendment, the Philippine Islands are placed upon the same footing as any foreign country. It has been my contention for more than two years that it was a matter of justice and a matter of right to those engaged in rice culture in the United States that such an amendment or such a provision should be incorporated into the law of the land.

I want to express my thanks as a representative of the people of my district, and to the people largely interested in rice in the State of Louisiana, for the fair action on the part of the Committee on Ways and Means, in so far as this amendment is concerned. And I want to say to my good Democratic friends that you will suffer no embarrassment for supporting this measure.

Mr. SABATH. Will not your amendment increase the price of rice?

Mr. PUJO. It will not, in my judgment; but it will put an industry which has developed in the last ten or twelve years, confined solely to the people of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, and Arkansas, upon a footing of safety.

It will make those who have their money in it feel that they will not be subject to be flooded with rice from the Philippines.

Mr. SABATH. You are excluding the Philippine rice?

### Competition from the Philippines.

Mr. PUJO. Not at all. We are excluding no rice; but we say that rice shipped from the Philippines into the United States must pay a fair duty, because if this amendment were not adopted, rice wholly the product of the Philippine Islands could be shipped here and sold at a profit for less than its cost to produce in this country.

Mr. MANN. Do I understand the position of the gentleman to be that there is danger that the Filipinos will raise rice and ship it here, and then, in order to supply the local consumption, import rice from other oriental countries?

Mr. PUJO. They imported 625,000,000 pounds of rice last year.

Mr. MANN. Did that take the place of any rice exported?

Mr. MANN. Not at all; but it is possible that the rice grower of the Philippine Islands, who produces it under 2 cents a pound, could compete with Louisiana, Texas, or South Carolina rice growers, who have to pay 2.40 cents a pound to produce it.

Mr. MANN. I would like to get the gentleman's position. Does the gentleman believe there is danger the Filipino will raise rice and export it to this country, and then for local consumption import rice to take its place?

Mr. PUJO. I believe it is entirely possible, and very probable. Whether the Filipino does it or not, there is nothing to prevent capitalists in this country from buying that rice at 1.9 cents a pound, adding a quarter of a cent transportation, and then undersell the American rice grower.

Mr. Chairman, that is my position, and I believe it is our duty to safeguard the interests of those building up a great section of the country, and not to legislate for those away from home as against those who have invested their money, who are American citizens, and are contributing to internal development.

Mr. MANN. Does not the gentleman think also that if we force our goods on the Filipino free of duty, we owe them a little duty on our side?

### Filipinos Don't Want Free-Trade in Rice.

Mr. PUJO. In answering the gentleman, I would call to his attention the fact that the Filipinos themselves do not want Free-Trade in rice with the United

States, and both of their representatives here spoke against it the other day.

Mr. SLAYDEN. Is it not true that the Philippine assembly last week passed a resolution asking for closer commercial relations?

Mr. PUJO. That is true; and it has been true with a view of the nonretention of the archipelago.

Mr. MANN. But do they want goods imported from this country into the Philippines free of duty, and then require them to pay a duty on goods imported from the Philippines here? I heard both speeches, and heard no such suggestion.

Mr. JOHNSON, of South Carolina. What is the rate of duty provided on rice?

Mr. PUJO. Two cents a pound for the clean rice and 1¼ cents for the uncleaned rice, and running on down the scale.

Mr. JOHNSON, of South Carolina. Is this a revenue duty or for Protection?

Mr. PUJO. It is primarily to produce revenue, but it is Protective in the sense of preventing the bringing of rice into this country from any other country, which will absolutely destroy one of the greatest agricultural interests of the country. I want to state for the information of the committee that the rice is shipped from foreign countries into the Philippine Islands and pays only a half a cent a pound duty. So, they can buy their rice from countries near there at a half a cent a pound and then send it here on a Protected market without paying duty.

#### *Low Cost of Filipino Production.*

Mr. FORDNEY. The evidence is that the Filipino people can produce rice at 1.1 cents per pound, and the freight on that rice to the United States is but one-quarter of a cent per pound. By bringing their domestic rice into our markets under Free-Trade they can undersell the rice of Louisiana, and therefore I am in favor of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. Mann) there were—123 ayes and 75 noes.

So the amendment was agreed to.

### **The Whole Problem Is One of Continuing an American Industry.**

*From the Congressional Record of April 9, 1909.*

J. HAMPTON MOORE, of Pennsylvania. Many of the large mills that manufacture hosiery are in my district, and I have heard from both the employer and the employed upon this subject. So far as they are concerned, the whole problem is one of continuing an American industry. The mills have been proceeding in good faith to manufacture hosiery for the American market. They have found foreign competition so strong that under the Dingley law they can not profitably compete with it. Instead of running full time they have been obliged, in most instances, to run quarter time, which means the displacement of three-quarters of the labor employed. The loss of wages is even more serious than the loss of profits, since the inability of the mill worker to obtain the usual wage deprives him of that purchasing power which is so essential to the common prosperity. I do not want to excite any prejudices in this matter, but I can not too strongly impress upon the representatives of other constituencies in this House that the industrialists of the congested centers of population must have regular employment and a fair chance to earn a living wage or the markets of the food producers of the land can not be profitably sustained.

#### *Imported Hosiery Has Displaced the American Article.*

What is the present contention? The hosiery industry has been widely established in the United States, but by reason of the cheaper labor and cheaper living in Europe imported hosiery has gradually displaced the American article in our own markets. The importer has gotten the upper hand of the manufacturer and manages to get in through the custom-houses foreign-made hosiery in such quantities that the demand for home-made hosiery has fallen off, and both capital and labor employed in the home industry have suffered.

To remedy this un-American condition the Committee on Ways and Means has raised the duty upon certain grades of hosiery in order to stem the influx of foreign manufactures that now threaten the American mills and their thousands

of working people. The importers have taken the other tack. They oppose the increase and argue that the buyer of hosiery will be obliged to pay more for the home-made than for the foreign article.

### *Shall the Mills Be Undermined?*

It would appear that we are called upon to legislate upon this proposition: "Shall the hosiery mills of this country, with their vast expenditure of capital and their thousands of employees, be given a fair chance to supply the American market, or shall the Tariff barriers be lowered, so that these mills and their employees shall give way to the poorly paid operatives of the mills of Germany and other countries?" With pardonable enterprise the importer of German hosiery seeks to hold the advantage he has already obtained against the American producer, but it has not been the policy of the Republican party nor is it in accordance with the spirit of American patriotism that we should destroy our home industries to obtain cheapness in commodities. If our own working men and women are given a fair chance in this matter of hosiery manufacture, there will be no increase in the price of hosiery to the purchaser. Local competition will adjust that. It has done so in nearly every instance where the production or manufacture of commodities has been properly encouraged and regulated.

### **To Compel Foreign Nations to Give Us a Fair Deal.**

*From the Congressional Record of April 9, 1909.*

SERENO E. PAYNE, of New York. Not all the Members of the House seem to appreciate the fact that sections 1 and 2 provide minimum rates of duty, section 1 providing the duty on certain articles and section 2 providing what articles shall be upon the free list. Section 3 is for the purpose of compelling or persuading foreign countries to give us as favorable trade relations as they give any other country, and therefore the duty is raised in section 3 upon these articles enumerated in section 1 and certain articles are taken from the free list in section 2 and enumerated in section 3, and to bear a duty of 20 per cent. Now, if every gentleman is to get up here and put in an amendment providing that the articles enumerated

one by one or schedule by schedule in section 3 are to be put upon the same rate of duty as in section 1, there is no use in having any section 3.

We might just as well deliver the American people bound hand and foot to the maximum Tariffs which are exacted by foreign countries. But it is for the purpose of freeing our people from those maximum Tariffs that we have section 3 and increasing the duty and creating a maximum Tariff. Our maximum Tariff does not increase the general Tariff rate anywhere near to the proportion exacted by France or Germany or other countries. We have made moderate increases, generally of 20 per cent of the duty. It is not expected by the committee, and it is not expected by the American people who have taken the trouble to examine this bill, that we shall have to impose the maximum rates, because the nations of the earth will be glad to get their goods in at our minimum rates. From the very beginning everything coming from Great Britain will come in at the minimum rate, because Great Britain extends to us every trade facility that she extends to any other nation in the world. And that being so, Mr. Chairman, does any man here suppose that Germany or France is going to keep themselves and their people out of our markets by imposing an unjust rate upon us, by putting a maximum duty on imports coming from this country, or will they be swift to give us the benefit of the minimum rate, as low and as favorable as they extend to any other nation on earth?

### **Thomas Jefferson on Discriminations Against Our Commerce and Navigation.**

*From the Congressional Record of April 9, 1909.*

HENRY S. BOUTELL, of Illinois. Mr. Chairman, the gentlemen on the other side of the House, in discussing this bill, have spoken of the words "Protection," "prohibition," and "maximum rates" as though they were pure inventions of the Republican party and all made at this late day. I would like to call attention of the members of this committee to a report made to the House of Representatives by no less a Democrat than Thomas Jefferson, when, as Secretary of State, he was called upon to express his



opinion in reference to the discriminations that were made against our commerce and our navigation. The report was sent to the House on December 16, 1793. It answers the very question asked by the gentleman from Missouri [Mr. Clark]. It ought to have been added to his list of four great national documents on the Tariff. Every line of it glows with the spirit of patriotic Americanism and rings with the spirit of Protection.

I shall put it all in the Record, Mr. Chairman, as an appendix to my remarks; but before this vote is taken I wish the gentlemen on the other side to listen to these sentiments from the father of Democracy. After having outlined the discriminations that were made by other nations against our commerce, he says, among other things:

But should any nation contrary to our wishes suppose it may better find its advantage by continuing its system of prohibitions, duties, and regulations, it behooves us to Protect our citizens, their commerce and navigation, by counter prohibitions, duties, and regulations also. Free commerce and navigation are not to be given in exchange for restrictions and vexations, nor are they likely to produce a relaxation of them.

Again he says:

The following principles, being founded in reciprocity, appear perfectly just and to offer no cause of complaint to any nation.

1. Where a nation imposes high duties on our productions, or prohibits them altogether, it may be proper for us to do the same by theirs; first burdening or excluding those productions which they bring here in competition with our own of the same kind, selecting next such manufactures as we take from them in greatest quantity and which at the same time we could the soonest furnish to ourselves or obtain from other countries, imposing on them duties lighter at first, but heavier and heavier afterwards as other channels of supply open. Such duties, having the effect of indirect encouragement to domestic manufactures of the same kind, may induce the manufacturer to come himself into these States where cheaper subsistence, equal laws, and a vent of his wares, free of duty, may insure him the highest profits from his skill and industry.

Again he says:

### **Need of Discriminating Duties.**

It is true we must expect some inconvenience in practice from the establishment of discriminating duties. But in this, as in so many other cases, we are left to choose between two evils. These inconveniences are nothing when weighed against the loss of wealth and loss of force which will follow our per-

severance in the plan of indiscriminate. When once it shall be perceived that we are either in the system or in the habit of giving equal advantages to those who extinguish our commerce and navigation by duties and prohibitions as to those who treat both with liberality and justice, liberality and justice will be converted by all into duties and prohibitions. It is not to the moderation and justice of others we are to trust for fair and equal access to market with our productions or for our due share in the transportation of them, but to our own means of independence and the firm will to use them. Nor do the inconveniences of discrimination merit consideration. Not one of the nations before mentioned, perhaps not a commercial nation on earth, is without them.

Now listen, my Democratic friends, who want to return to Jeffersonian principles, and vote accordingly:

In our case one distinction alone will suffice; that is to say, between nations who favor our productions and navigation and those who do not favor them. One set of moderate duties, say the present duties for the first, and a fixed advance on these as to some articles and prohibitions as to others, for the last.

There, Mr. Chairman, is the original, historic doctrine of the maximum and minimum Tariff. Let us see how many will show their approval of it by their votes on this bill. [Applause on the Republican side.]

### **Free Hides Is the Robbing of Peter to Pay Paul.**

*From the Congressional Record of April 10, 1909.*

MOSES P. KINKAID, of Nebraska. Right now I desire to respectfully, yet very earnestly, protest against the placing of cattle hides upon the free list while according Protection to leather and shoes and the other products of leather which the farmer and stock raiser consume.

Mr. Chairman, I wish a fair division of the profits of the policy of Protection. When the policy of Protection is put into operation by congressional enactment every American citizen is a stockholder, and he must pay dividends or assessments dependent upon the success or failure of the act, and especially as to his interests. It is fair that all should share alike in the advantages and possible disadvantages of the policy; but I regret very much to say that the proposition as made by the tanner and shoe manufacturer—that in this revision a

duty shall be continued upon leather and upon shoes, but that hides shall be placed upon the free list, and which provisions have been incorporated into the pending bill—I regret to say I fear that if this clause should be ratified by the Congress that the result would be that my constituent, the farmer and the stock raiser, would be the payer of assessments that the tanner and the shoe manufacturer might be the drawer of dividends. I fear the result would be like robbing Peter to pay Paul.

### *Farmers Want the Duty.*

I have heard from numerous other constituents, all of whom have written me in behalf of a continuance of the duty on hides. It strikes them as very unfair and unjust that hides should be discriminated against, as they view it and term it, by being placed upon the free list, while a mere percentage of reduction is to be made as to leather and the manufactures of leather. Sir, this looks to me like a very one-sided proposition. Hides are placed upon the free list, while a reduction merely has been made of the duty upon leather and shoes and some other of the products of leather. In answer to this it is pointed out by tanners and shoe men and by distinguished Members of this body, who indorse their views, that nearly as much reduction has been made on some of the manufactures of leather as the whole of the 15 per cent ad valorem that the Dingley law accords to hides. But, sir, the treatment is not uniform or anything like it, for it is only a reduction as to shoes and other products of hides which is made, while the article of hides is deprived of any Protection whatever. Sir, the philosophy of the widow's mite is very pertinent.

### *Unfair Inequalities.*

Sir, who is willing to stand such inequalities? Who can stand such inequalities? The injustice can not better be emphasized than by the statement of the fact that the cattle raiser must produce the hide and sell it on a level with Mexican hides, where cattle are grazed upon lands worth so much less than our lands in the United States and the peon labor necessarily employed is paid from 20 to 40 per cent of what our farm labor is paid; while, on the other hand, the cattle raiser must pay for the products

of the free hides which he sells, a price enhanced by the duty imposed upon, say, boots, shoes, harness, saddles, and other leather products necessary to his consumption. It should be very plain to anyone that if the farmer is made to sell upon a certain basis he should be permitted to buy upon the same basis. It should be very plain, if one must sell upon a low basis all he produces and buy upon a higher priced basis all he consumes, that he must soon go to the "wall."

### *What Is Raw Material?*

Mr. Chairman, what is raw material? I contend it depends wholly upon the circumstances of the case. With the shoe manufacturer the shoe completed is his finished product, while leather as he received it from the tanner is his raw material; with the tanner, the leather is his finished product, while hides are his principal raw material; with the farmer and stock raiser, a herd of breeding cattle, the farm upon which he keeps them, the grass, the hay he cuts and feeds, the corn he raises and feeds the cattle, and all the labor he bestows upon the cattle in raising them—these are his raw material, or is the material upon which he works to produce and from which he produces the beef animal, his finished manufactured product. Why is not the money invested and the labor performed in this fundamental industry as worthy of Protection, as worthy of the benefits of the policy of Protection as the capital and labor employed in the manufacture of leather and of shoes? I can see no moral difference and contend that there should be no legal difference made by the Congress, and I maintain that a sound public policy will not sanction the discrimination between the two provided by the pending bill.

### **Tariff on Pineapples Advocated by a Southern Democrat.**

*From the Congressional Record of April 10, 1909.*

FRANK CLARK, of Florida. Just one word now with reference to one statement made by these importers. They say, in substance, that practically all of the land in the State of Florida suitable for growing pineapples is now in cultivation, and that therefore our pineapple area can not be appreciably in-

creased. The utter ignorance of some people as to the State of Florida, who profess to know all about it, is simply appalling. The State of Florida is the largest State in point of area, save one, east of the Mississippi River, and there are to-day thousands of acres of land in that State adapted to the growing of pineapples which are lying idle, but would be planted to pines if our own people could be placed upon an equality with the Cuban grower. We ask no advantage of the Cuban; we only ask a fair chance and a "square deal."

Mr. Chairman, the Democratic party has always insisted that the Tariff should bear heaviest on the luxuries of life. Here is an article which is essentially a luxury, and it will be interesting at least to see if gentlemen who stand for a duty on corn—a necessity—intend to strike down the duty on pineapples—a luxury. This contest for a higher rate on pineapples is a contest between the farmers of Florida, Hawaii, and Porto Rico on the one side, and the canners and importers on the other. Where will the ancient friends of the much overworked "common people" line up? Where will those who have for years been howling from the housetops for heavy duties on luxuries and practically Free-Trade in necessities take their stand? "By their fruits, ye shall know them."

### **Of All Our Industries Agriculture Is Foremost in Magnitude and Importance.**

*From the Congressional Record of April 10, 1909.*

GILBERT N. HAUGEN, of Iowa. We are proud of our schools, temples of religion, and the morality and industry of our people; that much of the time every energy is employed; that progress and prosperity are in evidence everywhere. Though at times there may be a temporary halt in our progress, it must be conceded that we are the most prosperous and happy people on earth; and it is every man's duty, no matter what his creed, political affiliation, or occupation may be, to strive to benefit his country, to protect the weak, to relieve the distressed, to uplift humanity, to promote civilization, progress, prosperity, and happiness; and all should give thoughtful and careful consideration in securing full

benefit for our national resources, those developed mechanical appliances, the skill and genius of American labor, to see to it that no interest, individual, or concern is discriminated against or imposed on; that each and all are given adequate Protection against any invasion of our markets by the products of foreign cheap and pauper labor, as well as against unscrupulous interests, corporations, or individuals that may compel anybody to pay an involuntary tribute, in order that we may have the fullest development of all worthy and legitimate enterprises.

Our obligation is, and the proposed legislation offers an opportunity to redeem our obligation and platform pledges, to give the American wage-earners, manufacturers, and producers of farm products, in fact every worthy and legitimate enterprise, a square deal; to justly, conscientiously, and promptly revise our Tariff laws in the interest of all the people. Whatever Tariff legislation is enacted for the fostering of this Government, Protection must be honestly, faithfully, and effectively applied, so as to Protect, to build up, and strengthen every worthy and legitimate industry of this land and to lift our wage-earners to the highest level of profitable employment.

What industry is of the greatest importance? Of all our industries, agriculture is, of course, foremost in magnitude and importance. In fact, all wealth and prosperity springs from the soil. Experience teaches us that when agriculture is dull no prosperity to other industries is possible. Prosperity, then, depends upon the prosperity of the tillers of the soil.

The American farmer, then, is entitled to consideration; and there can be no justice in placing him on the level or in competition with the poorly paid labor of Europe, with the cheap labor of Egypt and India, thus depriving his product of his home market, which is the greatest market in the world.

### ***The Farmer's Share in Protection's Benefits.***

Much has been said about the American farmer not sharing in the benefits received from this Protective Tariff. Be that as it may, personally, I believe that the farmer has shared in the benefits that have come from this great Protective-

Tariff system. If not directly, at least indirectly. Through this great Protective-Tariff system which has brought about such substantial and marvelous results, we have built up great industries, until to-day we produce annually not only seven and three-fourths million dollars' worth of agricultural products, but upward of \$20,000,000,000 of manufactured products.

This has given employment to millions of wage-earners, and billions have been paid in wages under this Protective-Tariff system that would not have been paid had it not been for the encouragement given home industries. Under this Protective-Tariff system the wage-earner has been paid better wages than any wage-earner on earth, thus bringing the consumer of farm products closer and closer to the farm, not only saving the transportation charges to other countries, but furnishing the farmer consumers with greater purchasing powers and enabling him to sell not only at higher prices, but more of it, until to-day the American consumers are buying and consuming nearly everything, or more than six-sevenths of what the farmers produce.

### **Democratic Policy Condemned by the Country.**

*From the Congressional Record of April 10, 1909.*

IRVINE L. LENROOT, of Wisconsin. It is to be regretted that the Democratic side failed to use the opportunity it had to aid in perfecting this bill and be of some real service to the country, but, as in the past, that party, loud in its professions when seeking votes, could not unite its membership when the time came for action.

The Democratic plan for Tariff revision, as evidenced by the motion to recommit this bill, is impracticable and visionary, and was condemned by the country by an overwhelming majority in the last election.

### **Protection Affords Opportunities to All Classes of Our Citizenship.**

*From the Congressional Record of April 15, 1909.*

MARTIN B. MADDEN, of Illinois. I am in favor of the adoption of the bill now pending before the House for a twofold reason.

First, I am in favor of its adoption because I believe that it will bring back those banner days of commercial supremacy which the United States enjoyed following the passage of the Dingley Tariff bill, which brought great blessings and remained in full force and with undiminished powers until the recent unavoidable panic, the blighting ravages of which were so speedily and effectually checked by the wise, sane, businesslike, and apparently providential action of a Republican President, backed by a Republican Senate and House of Representatives.

Secondly, I want to hear the hum of the wheels of American industry. I want again to smell the smoke of commercial activity. I want to hear the rumbling of the wheels of factory and mill. I want to know that away down in the bowels of the earth, amid the grime and smoke and dirt and dust, there will be found the same light-hearted, well-paid, contented American wage-earner that is to be found in more favorable employment, and with less arduous duties to perform. I want them all to be equally happy.

### *The American Laboring Man.*

I want the American laboring man to be the best-paid, the best-housed, the best-clad, and the most-contented person on earth; and the American laborer is the best-paid, the best-housed, the best-clad, and the most contented of his class that can be found anywhere upon the face of the earth. He receives from two to five times as much in exchange for his hire as is received by any like person in this broad universe, and he has been receiving said wage since the adoption of the Dingley Tariff bill, a Republican measure passed by a Republican Congress and signed by a Republican President.

The laboring man who remembers the doleful years from 1893 to 1897 needs no argument to convince him that the Republican policy of Protection is, when compared with the system which made those days a curse to American manhood and American womanhood, the most blessed and the most beneficent system ever adopted by man for the benefit of his kind.

I am a Protectionist because I believe that Protection affords greater opportunities to all classes of our citizenship than a Free-Trade or Tariff-for-revenue system can possibly give.

### **Faults of Tariff for Revenue.**

There has never been a time in this country, from its very foundation to the present time, when a Tariff-for-revenue policy was in existence that the country did not suffer commercial paralysis; and there never was a time following the adoption of a Republican Protective-Tariff system that the country did not, under its stimulating and invigorating effect, take on new and increased activity.

There are other good reasons why I am a Protectionist, Mr. Chairman, and why I favor the adoption of the bill we are now preparing for final enactment into law, but I am particularly wedded to the system because of the Protection it affords the wage-earner.

I do not want to live to see the day when the American workman will be forced by legislation to accept the low wage scale of foreign Free-Trade nations.

### **The Way to Keep America Prosperous is to Keep American Workmen Employed.**

To do this we must prevent Europe from taking the American market. You can not employ men in European factories to make goods for American consumption without throwing American workmen out of employment. What advantage is there in being able to buy foreign-made goods cheap if to do so we are first compelled to shut off the forge and the loom? What would it profit us to have Europe take our market while we are looking for theirs? The American market is the best in all the world. It amounts to \$27,000,000,000 per annum, while the export trade of the world, including the United States, amounts to but twelve billions annually. Do we want to give up the home market and take a chance on the foreign market? I hope not. It does not appeal to me as a wise suggestion. I am opposed to it. My plan is to keep the American workmen employed, pay them good wages, keep them happy, make it possible for them to buy the goods made by their fellow-citizens—make the Tariff sufficient to protect the American workman, but not so high as to cause an inflation of prices; to be exact, I should like to see the Tariff just enough to make the difference in cost of production at home and abroad so that our workmen can find employment in making goods for home consumption, hold the home market, and

thus maintain the present standard of wages and living.

I am a Republican and I believe in Protection. I am one of those who believe in taking the responsibility placed upon us by our election. [Applause on the Republican side.] After having done so I shall be glad to submit my case to the good people of my district and abide the result of their verdict, whatever it may be. [Loud applause.]

### **In Favor of Free Hides in Order to Protect the Consumer.**

*From the Congressional Record of April 15, 1909.*

ANDREW J. PETERS, of Massachusetts. It is to Protect the consumers who pay the extra price of shoes, and to Protect one of the largest industries of this country and the thousands of its employees, that the demand is made for the retention of the provision of the bill putting hides on the free list and for the defeat of this amendment.

### **Incidentally to Do the Most Good.**

*From the Congressional Record of April 15, 1909.*

JAMES M. GRAHAM, of Illinois. Mr. Chairman, I can scarcely hope to say anything new on the Tariff question, nor do I hope to be able to say the old things as well as they have been said. I am a very firm believer in the doctrine of a Tariff for revenue alone, but I believe that in raising the necessary revenue from imports care should be taken to so place the duty as to incidentally do the most good to such American industries as are least able to compete successfully with similar products of foreign make.

### **The South Should Send Protectionists to Congress.**

*From the Congressional Record of April 15, 1909.*

WILLIAM A. REEDER, of Kansas. The gentleman from Texas started out with the proposition as a foundation for his excellent speech that the South necessarily ships two-thirds of its raw cotton across the ocean for a market. This is far from the truth. Instead of having men in Congress representing their fair land who base their fine logic and flow-

ing wit on false premises, careful thought would lead one to the conclusion that the people of the South should send men here who would look after their interests and see that those interests are Protected rather than promulgate such ideas. The gentleman from Virginia has argued until the very close in favor of Protecting his people, and then he seemed to remember some Democratic time-honored dogma and set the whole thing aside by saying they would devise some other method of taking care of the southern laborer.

Mr. SAUNDERS. Oh, no; I addressed you gentlemen as Representatives on the majority side of the House, simply asking you to be consistent and just.

#### *The South Is Neglectful of Her Interests.*

Mr. REEDER. I am with you as to that proposition, but it seems to me that both the gentleman from Texas and the gentleman from Virginia have indicated that the South is derelict in not sending Members here to represent them who will work to have their industries Protected.

I believe that your industries should be Protected, and I believe that they should be Protected to such an extent that your people would be more prosperous than they are to-day, and that the whole Nation would benefit by your increased prosperity. It is not necessary to ship two-thirds of the raw cotton raised in the South across the ocean for a market. If your people would reach out for the Protection of the cotton manufacturer with the same energy that the western and northern people use in seeing that the interests of their constituents are looked after, the South would be much more prosperous, and every part of the Nation benefited vastly by the better market you would thus furnish for other manufacturers and for food products. One section can not be a laggard without injury to all.

Mr. GLASS. Does the gentleman believe in Protecting American industries because they are American industries or because they send Republicans here to Congress? [Applause and laughter on the Democratic side.]

#### *Constituents of Democrats Need Protection.*

Mr. REEDER. I believe that the Democrats have made a failure in this.

Their constituents need Protection, but the tenets of your party are such that you have got to make some excuse when you ask for Protection. You worship party tenets so much you dare not go forward. You will not admit you have foresight. You only use a hindsight, and your people continue to suffer stagnation for that reason. The South ought to send men here who want Protection and who do not fear to say so and work to get it.

My friend Clark, the witty leader of the minority, says the Tariff is now prohibitive on cotton. The fact is, this statement is so far from the facts that nearly \$95,000,000 worth of the products of your cotton, which you have shipped abroad in the raw state, came back in 1906 manufactured, and paid nearly \$40,000,000 Tariff to get back to our markets. There is some difference between prohibitive tariff and ninety-five million imports; but what is ninety-five millions when a traditional Democratic policy is to be upheld?

Mr. SABATH. Oh, the West wants Protection, and you are willing to vote for Protection, too.

Mr. REEDER. The gentleman never saw a State more in favor of Protection of American labor than Kansas, and we have little direct Protection.

Mr. SAUNDERS. If I will say what we want in the South, will you give it to us?

Mr. REEDER. No; I would not like to say that. [Laughter.] I do not know you well enough.

Mr. JOHNSON, of South Carolina. Mr. Chairman, I understand the gentleman from Kansas to say that we ought to manufacture all the cotton in this country.

Mr. REEDER. Yes; you ought to manufacture all the cotton needed in this country and much to sell abroad in the way of cotton goods.

Mr. JOHNSON, of South Carolina. Does the gentleman want to help the South to build more cotton mills?

Mr. REEDER. Yes, sir.

Mr. JOHNSON, of South Carolina. Then, vote to reduce the enormous duty on cotton-mill machinery. [Applause on the Democratic side.]

#### *Not the Way to Do It.*

Mr. REEDER. I do not believe that is the way to do it. It does not profit to kill one industry and thus throw Ameri-

can laborers out of employment to build up some one else. That is Democratic doctrine. I want Americans to make that machinery, and I wish you people to be so Protected that you can afford to pay for the machinery and sell all of the cotton manufactures used in the United States and much elsewhere, and not have your Congressmen get up here and make speeches, with the foundation for such speeches the statement "that you, of necessity, have to ship your raw cotton across the ocean to find a market," though I concede this is Democratic doctrine and usage.

Mr. SAUNDERS. May I ask the gentleman from Kansas a question? Does he think that I made out a pretty good case for the people in whose interests I have spoken?

Mr. REEDER. Yes; until you get about through. Then you seemed to think you must preserve some Democratic precedents, or time-honored tenets, and backed up considerably.

### *The Way to Have Goods Cheap.*

The facts are, the way to have goods cheap, money plenty, and farm products high is to so Protect manufactures as to have our goods made by our own people. See tin; first stage, tin made in Wales and high; second stage, a Tariff on tin; tin now made at home and cheap. Abraham Lincoln once said—he knew this much about a Tariff—when you buy goods made abroad you have the goods, but some one else has the money. When you buy goods at home we have the goods and the money. Even a Democrat ought to see the latter is the better condition.

Mr. WEISSE. Does the gentleman believe that this bill Protects American labor?

Mr. REEDER. Yes, sir.

Mr. WEISSE. Will the gentleman kindly explain to this House how the Republicans are Protecting labor when, through the drawback system of this bill, the foreign laborer can buy the products made by American labor cheaper than he can himself? How are you Protecting American labor by denying him the right to buy the work of his own hands as cheaply as the same can be bought by a foreigner?

Mr. REEDER. You overlook the fact that he must have money to buy at any price, and the only source of money is his labor, if certain raw material is sent into

this country and we pay a Tariff on it, and we can not pay that Tariff and have the labor done here and send the goods manufactured therefrom abroad and sell them, we had a good deal better rebate that Tariff than not have the work of manufacturing done by our people.

Mr. REEDER. There is a good deal more prosperity, in my judgment, in Texas and Florida than in most parts of the South. It is on account of their not paying so much attention to those "time-honored Democratic principles." They are working along the line of the advanced thought of the times. I commend other portions of the South to their example.

### *Primal Mistake of the Democratic Party.*

Mr. JOHNSON, of South Carolina. The gentleman is talking about cotton. Now, I live in a cotton-manufacturing district, and I would like to say to the gentleman that it costs probably a million dollars to build a mill in South Carolina which could be duplicated in England for \$600,000. That is because of the enormous duty that is placed on cotton-mill machinery, rubber belting, structural steel, and the material that we must buy to equip that plant. Now, does not the gentleman think that the building of a mill that will give employment to a thousand people for all time to come is such an industry that the New England manufacturers could afford to release their grasp on the machinery that goes into that mill?

Mr. REEDER. The idea embodied in the gentleman's question is the primal mistake of the Democratic party. The gentleman virtually asks me this: If we have men working now in the manufacture of machinery to put into cotton mills, and those men get \$2 a day, would it not be better to make them take \$1.20 a day instead of \$2?

That is the mistake the Democratic party is making and always seems to be determined to make; that is, that we should lower the wages of our laboring men from \$2 to \$1.20 a day. Now, that would be a fatal mistake. I would rather see you pay for the mill a price which will Protect the laborers who are engaged in the manufacture of the machinery that goes into the mill and then raise the price on cotton products, so that where your laborers now get four or five dollars per month they will get ten or twelve dollars a month or more,

## To Meet the Difference Between American High Wages and Mexican Low Wages.

*From the Congressional Record of April 15, 1909.*

CHARLES H. MORGAN, of Missouri. The ability of this country to produce sufficient ores to supply the demand for all the spelter consumed in this country can not be doubted after an examination of the question. Ever since the zinc industries were established in this country our mines have produced all the ore required for this purpose, and the output of the mines has kept step with the increasing use of zinc. During all the years we have mined zinc ores in the Joplin district we have kept in sight a surplus of ores in the bins; and time and again, to my personal knowledge, we have voluntarily shut down our mines for a short period, for the sole purpose of reducing our surplus. It is not true, as stated on this floor, that the zinc smelter companies have been compelled to go to Mexico because the mines of the United States have not been able to supply the consumption of the country. They went to Mexico to avail themselves of cheaper labor and cheaper ores. In this connection let me call attention to the fact that there are over 20 States in the Union now producing zinc ore.

In many of these States the zinc-mining industry is in its infancy, and it is a fact, as shown by government reports, that many of these, notably Wisconsin, Oklahoma, Tennessee, and Iowa, during last year largely increased their output over the preceding year. In some instances this increase was more than 100 per cent. In the Joplin district the output can be largely increased, without the development of a new mine, by running at full shift those now being operated and starting up those now closed down, because the buyers have gone to Mexico for their purchases.

With the encouragement, by a duty equal to the difference between the cost of labor at home and abroad, no one can doubt for a moment the capacity of the mines in this country to produce all the zinc that can be consumed in this country.

We do not seek an unusual or prohibitory Tariff, and only ask such a duty as shall equal the difference in the wages paid to American miners and the lower

wages paid to Mexican miners. [Loud applause.]

## Protection for American Tobacco Growers and Cigar Makers.

*From the Congressional Record of April 15, 1909.*

DANIEL F. LAFEAN, of Pennsylvania. Is it fair to place the skilled, sober, honest, industrious, hard-working cigar makers of this country on an equal level with the cheap oriental labor? If this schedule as embodied in this bill is adopted, what is there to prevent the tobacco trust from investing capital to the Philippine Islands and because of the cheap labor and price of tobacco to manufacture a good grade of cigars, import them free of duty, and place them on the market of the United States at a much lower price than can our American cigar manufacturers produce a cheaper grade of cigars.

This would result in driving out of business the smaller cigar manufacturers of this country. In my district it would mean the closing of hundreds of small shops. You can readily understand, therefore, why the cigar manufacturers and cigar makers of this country are fighting the free importation of this tobacco. It means, as I have stated several times, placing their skilled labor in direct competition with the cheap oriental labor.

### *Labor in the Philippines.*

Many of you are familiar with the cigar manufacturing plants (if they may be called such) of the Philippine Islands. Those Members of the Fifty-ninth Congress will recall the lithograph they received during that session of that Congress, whereon was depicted the true condition of the cigar makers of the Philippine Islands. You see hundreds of half-nude Filipinos and Chinese sitting on a rough board floor in a large open shed, using the crudest kind of implements in the manufacture of tobacco. Just compare such a factory with those located in my district, where you will find large, modern, well-lighted and ventilated buildings, conforming to the re-



quirements of the factory laws of the State, and equipped with modern conveniences for the comforts and benefit of the cigar makers, and that the cigar manufactured therein might be of the highest sanitary standard.

During the past year, because of industrial depressions, the cigar and tobacco industries of this country have suffered greatly. Villages which were veritable beehives of cigar manufactories have practically done little or no business during the past year, the residents thereof being compelled to seek employment in other lines.

### **Why Demoralize the Industry?**

Why still further demoralize the tobacco industry of this country by the approval of this schedule in the bill? Again, the free importation of this tobacco, manufactured and unmanufactured, would still further lessen the revenues of this country. The report of the honorable Commissioner of Internal Revenue for the fiscal year ending June 30, 1908, shows a decrease of \$1,833,259.84 in collections from cigars, a decrease of 5,930,342 pounds in the quantity of tobacco and snuff withdrawn for consumption, and 813,071 pounds exported and 14,646 imported. There was also a decrease of 585,386,010 in the number of cigars tax paid and withdrawn for consumption. Why, then, further decrease the revenues and threaten the labor of the American farmer and cigar maker?

If Congress wishes to do any act of goodness to the Philippine Islands, why not place a higher Tariff on rice, thus not only protecting the American rice growers, but removing any possible chance or hope of the Filipinos exporting rice to this country and compelling them to produce sufficient rice to supply their own demand instead of importing it, as is now the case?

Why not encourage this people to produce their own foodstuff instead of encouraging them to grow tobacco and manufacture cigars to the detriment of our own people? I do not believe that we can afford to allow that part of this bill to go through at this time, and I hope that the House will see fit to strike out that part of the Payne bill referring to the commercial relations between this country and the Philippine Islands and not leave it to the Senate to kill, as was the case in the Fifty-ninth Congress.

## **What Constitutes a Republican and a Protectionist?**

*From the Congressional Record of April 19, 1909.*

JAMES A. TAWNEY, of Minnesota. Mr. Chairman, notwithstanding the statement made yesterday on this floor by the distinguished gentleman from Michigan [Mr. Fordney] that I am neither a Republican nor a Protectionist, because I have asked for an opportunity to vote in favor of free lumber in order to determine whether the House approves the judgment of the Committee on Ways and Means when, in the first instance, it placed lumber on the free list, or when, in the second instance, it transferred lumber from the free list back to the dutiable list, I, as a Republican and a Protectionist, offer this amendment.

If to demand a duty on the unfinished product of an industry where it is conceded that the cost of producing that product is no greater here than it is abroad—an industry whose raw material is rapidly diminishing and can not be reproduced except by the joint action of God and man—for the purpose of giving to that industry a monopoly in the sale of its product in the American market, is Republican Protection, then the gentleman from Michigan [Mr. Fordney] is entitled to the distinction of standing alone in his theory of what constitutes a Republican and a Protectionist. Let me say to him that that kind of Protection is not Republican Protection. It is monopolistic Protection, and he is welcome to the distinction of being the only Republican who advocates it. [Applause.]

### **Public Sentiment Demands Removal of Duty.**

Mr. Chairman, there is no schedule in the Dingley Tariff law that has contributed more to the demand for a revision of the Tariff than the lumber schedule. There is no schedule against which public sentiment has crystallized as it has against the lumber schedule of the present Tariff law. Republican and Demo-

cratic State conventions in different parts of the Union have declared in favor of free lumber.

Mr. LANGLEY. Not all of them.

Mr. TAWNEY. I did not say the Republicans of every State have declared in favor of free lumber, but Minnesota, Iowa, Ohio, Wisconsin, and the two Dakotas, and doubtless others, have, while legislatures controlled by the Republican party have memorialized Congress in favor of free rough lumber.

The sentiment of the people in respect to the lumber schedule has not been manufactured by men in Wall street or in the great commercial centers as it has been manufactured in respect to other provisions of the Payne bill. It is a genuine sentiment, growing out of the conditions under which lumber is now produced and sold to the American consumer. In view of the fact that this sentiment is based upon conditions which justify placing lumber on the free list, I believe it to be the duty of Congress to respect that sentiment by admitting free of duty all Canadian lumber.

To justify Congress in doing otherwise, the advocates of a duty on lumber must show that the cost of production here is greater than in Canada. This they have not done. To insist upon a duty without that condition violates the principle of Protection and does more to destroy the confidence of the people in its advantages and its benefits as an economic policy than all the Democratic Free-Trade arguments that have ever been used to overthrow it.

#### *The Farmer Entitled to Protection.*

I believe, and always have believed, in the policy of Protection to American industries and American labor, and there is no industry in this country that is more entitled to that Protection than our agricultural industry. There is no industry that contributes so much to the wealth and prosperity of the Nation as that industry. To take from a branch of that industry the Protection which has enabled it to expand threefold in the last two decades, for the purpose of re-establishing the malting industry in the State of New York, is unjustifiable. I therefore hope the duty on barley will be restored to a Protective basis. [Applause.]

It is true that the farmers of Minnesota are greatly interested in continuing the present duty on barley or in secur-

ing a sufficient duty to enable them to compete successfully against the Canadian product. Their interest in this question is not wholly a selfish interest. The majority of the people I have the honor to represent upon the floor of this House are Republicans and Protectionists. They believe in Protection because they know from experience that under this Republican policy they, as well as the entire country, have always prospered and that they have always enjoyed more of the comforts and even many of the luxuries of life than they have ever enjoyed under the Democratic Free-Trade Tariff policy.

#### *Object to Tariff on Lumber.*

While they advocate Protection for things which they produce, they do not ask that the things which are produced by others and which they consume be unprotected from competition with foreign producers where the cost of production abroad is less than it is here. They recognize that on the whole the American standard of wages and living is far above that of any other country exporting products to our market, and that this standard of wages and living can not be maintained unless the difference in the cost of production here and in foreign countries, whose standard of wages and living is below ours, is equalized by the imposition of a duty upon the foreign product when entering into the American market.

But where there is an article like lumber, which enters so largely into the agricultural industry, and when they know, as they do, that the price to them of that product has enormously increased during the past few years, and that the cost of producing lumber is no greater here than in Canada, they naturally feel that Protection to such an industry is not justifiable, and this fact explains the universal demand among the farmers for free lumber. If the same conditions existed in respect to the production and sale of barley, they would not ask, nor would I, as their Representative, insist upon an increase in this duty. Since these conditions are not the same, and the proposed duty of 15 cents a bushel on barley would give the Canadian farmer an advantage in our market, I do insist that the duty should be increased, thereby removing the inequality that would otherwise exist between the Canadian and the American farmer in the sale of this product in the American market,

## Competition of Cheap Oriental Labor in British Columbia Mills.

*From the Congressional Record of April 19, 1909.*

WILLIAM E. HUMPHREY, of Washington. Mr. Chairman, a few days ago I attempted to bring to the attention of the House the conditions that exist upon the Pacific coast in Washington and British Columbia with reference to the employment of Orientals in the lumber and shingle mills. I believe that I demonstrated conclusively to any unprejudiced mind, from the evidence before the Ways and Means Committee, that practically no oriental labor was employed in the lumber and shingle mills of Washington, while more than 50 per cent of the labor in the lumber and shingle mills of British Columbia are Chinamen, Japanese, and Hindoos. I do not care to discuss this question further, but at this time I wish to speak upon the general question of the effect on the lumber industry of the removal or the reduction of existing duties.

More than 50,000 men in my district are employed in the manufacture of lumber and shingles. Twenty thousand more are directly dependent upon this business.

### *Seventy Thousand Workers Who Voted for Protection.*

Seventy thousand men, 300,000 people, in my district are directly dependent upon this industry for their daily bread—more people by far than the average congressional district contains—and about three-fourths of those 70,000 men who voted, voted the Republican ticket, because they believed that that party would be true to the principle of Protection and would protect the industry that gave them their living. I do not speak for the man who owns the stumpage. He can, and will, care for himself; he has made vast fortunes in many instances. In this he has acted only as other men have acted in other pursuits. He is not to be condemned any more than the buyer of real estate or any other commodity is to be condemned. I do not speak for the logger. If you reduce the price he will see that all the burden does not fall on him. He, too, will care for himself. I do not speak for the lumber manufacturer. He has generally made money, and will look after his own interests and see to it that any burden that comes from

the reduction of the Tariff is not borne entirely by him. But I speak for the 110,000 men working in the mills of my State, those who receive \$75,000,000 per year in wages—80 per cent of the entire value of the timber products. He is the one who will bear the heaviest burden. He receives 80 per cent of the value of the manufactured products, and you can rest assured that he will bear 80 per cent of the reduction in price. Does any man who has studied the history of this country doubt this statement? The laboring man is the one who will have 80 cents taken from him every time that a dollar's worth of lumber is purchased in Canada; taken from him and given to the foreigner; given to the Japanese, Chinese, and Hindoo.

### *Labor and Forest Conservation.*

It is in behalf of labor and the conservation of our forests that I especially desire to speak. If it were not for these two interests, it would not be vital whether the duty was retained on lumber or not. But it is vital to my State that its labor be protected, and it is of vital importance to the entire Nation that our forests be preserved.

Will the reduction of the Tariff reduce the price of lumber to the consumer? There is no fact upon which to base such hope. If the Tariff is reduced a dollar, that dollar will be absorbed by the logger, the manufacturer, the transportation company, and the retailer. This combination has often absorbed far greater fluctuations in the price of lumber than a dollar per thousand. In fact, the logger, the manufacturer, the railroads, and the retailer has often absorbed a fluctuation of from \$3 to \$6 per thousand without any material change in price to the consumer of lumber. The retailer seldom changes his price except in one way. The retailer is an emphatic believer in revision of prices upward. We import only 2 per cent as much lumber from Canada as we cut in this country. This importation might be doubled under the dollar reduction. Is it a proposition that appeals to the business judgment that 4 per cent will control the price of the 96 per cent, especially as we have a far greater supply of timber than has Canada?

### *Removal of the Tariff Would Not Cheapen Lumber.*

That the removal of the Tariff will

cheapen the price is an iridescent dream of an overhopeful imagination. Such a theory does not have a single illustration upon which to stand. It is not supported by the history of a single article in any schedule in all the different Tariff laws that have been written upon our statute books. I challenge any one to point to a single article upon which a Protective Tariff has been reduced that the price of the article was permanently cheaper to the consumer. Upon what theory that will appeal to the reason of men can it be hoped that lumber will be the exception to this rule? Just as certain as the seasons come and go and the world continues to move in its accustomed way, just that certain will it be found that the reduction of the Tariff did not reduce the price of lumber. Every man who believes that this will be the result will be undeceived and forced to admit his error if the Tariff upon lumber should be removed or reduced.

If we are to manufacture lumber in this country as cheaply as it is done in Canada, it can only be done by lowering the wages of the laborer. Will the Republican party subscribe to this doctrine? It seems to me that I am justified in stating that this would not be for a moment considered was it not that this industry is greatest in the far Northwest.

### *To Protect Every Industry.*

We on the Pacific coast are always asked and always expected to vote for a Tariff to Protect every industry in the United States, wherever situated, except our own; but when we come and plead for the Protection of our industry—our greatest, and in many of the localities our only industry, the destruction of which means absolute ruin, which means the destruction of our fertile farms and the turning of our splendid cities into desolate places—we are refused, because, forsooth, it is claimed that those in the East and Middle West desire to buy their lumber cheaper.

They say that the Tariff must be reduced for the benefit of the farmer, and yet the farmer can take a bushel of wheat or a pound of beef and buy more lumber to-day than ever before. We are told that the laboring man has to pay a high price for lumber to construct his house, and yet his day's wages, kept high by the same system, will buy more lumber to-day than it would under that in-

famy of delusion and disaster known as the "Wilson bill." Every one of the products of the East that we in the State of Washington must buy is Protected by a high Tariff, and we are expected not only to buy these articles, but we are also expected to vote to keep the duty on them. We are expected not only to buy these high-priced articles in the East, but to be thankful for the privilege. But when you are asked to buy an article from us that already has the lowest Tariff upon the statute books, then some of you are ready to whine and complain, notwithstanding that the Protection of that industry means not only our prosperity but our very existence. Transfer this great industry from the Pacific to the Atlantic coast, and it would to-day be in the bill with double its present duty instead of half the present Tariff. Do you wonder that we upon the Pacific coast sometimes feel that we are not treated fairly? Some of you in the East and the Central West seem sometimes to forget that we are in the Union, that we are American citizens, and that we are under the flag.

### *Results Certain to Follow.*

A few things about the reduction of the Tariff on lumber are absolutely certain. The reduction will decrease the price of stumpage in this country. It will increase the price of stumpage in Canada. It will reduce the revenue unless importation of lumber is increased. If importation is increased in this country, then that increase will measure just so much work and so much wages taken from the American and given to the foreigner—just so much money given to Canada that otherwise would remain at home. The waste of our timber will be increased and the destruction of our forests greatly accelerated. The amount of work will be decreased, wages will be reduced, and the consumer will pay the same price for his lumber. These are the results that are as certain to follow the reduction of the Tariff as the night follows the day.

### **What Is One Man's Raw Material Is the Finished Product for Another.**

*From the Congressional Record of April 19, 1909.*

CHARLES N. PRAY, of Montana. In the discussion of this measure we have heard a great deal about free raw ma-

terial and the finished product, respectively. It should not be forgotten that what is one man's raw material is the finished product for another. Wool is the sheep raiser's finished product and hides the cattleman's. Under the equitable Republican policy both are entitled to Protection. They are the assets, or a considerable part of the assets, of the sheep farmer and the cattleman. To deprive these of the Protection now given them, or by refusing to give them what they are entitled to, is to depreciate their market value and cut down the wages of men employed in producing them. This is so self-evident a proposition that it calls for no protracted argument.

With proper Protection the wool industry of the country is comparatively prosperous; without such Protection it languishes. How important an industry it is; how, whether it flourishes or does not flourish, it affects every man, woman, and child, few people realize. The great Ways and Means Committee of this House deserves unqualified commendation for the zeal, the patience, the painstaking intelligence with which it has applied itself to the inexpressively burdensome task of solving the many complex problems in the construction of a Tariff, and the result of its labors which we have before us in this bill also merits our appreciative consideration. No Tariff has ever been framed, Mr. Chairman, that gave satisfaction to every interest affected by it. I venture to say none ever will be. Surely, the unexpected would have happened if the committee had brought forth a bill so perfect in all respects as to have commanded the approval of everybody. Of course, I mean everybody Republican, for no one on this side ever imagined that the committee would be able to satisfy our Democratic friends in this regard. Having said this much, I address myself to the wool schedule, to point out in what it falls short of giving that measure of Protection which, in my opinion, the wool-growers of the country have a right to claim.

#### *Protection Doctrine in 1860.*

Mr. Chairman, in the platform of 1860 the Republican party made its initial declaration in favor of a Protective Tariff policy in these words:

That while providing revenue for the support of the General Government by

duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interests of the whole country; and we commend that policy of national exchanges which secures to the workmen liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence.

That, sir, was the keynote for the economic policy of the United States, which for the last half century, with the intermission of the brief period of three years when the Wilson Tariff cast its blight over the land, has been the country's glory; which has brought prosperity unparalleled in the history of the world; prosperity which is the envy of all nations; prosperity to the maintenance of which the Republican party is pledged. Those pledges have been quadriennially reiterated, and to this day the party has lived up to them.

#### **A Tariff to Raise Revenue and a Tariff to Reduce Revenue.**

*From the Congressional Record of April 19, 1909.*

NELSON W. ALDRICH, of Rhode Island. The Republican party has been assailed from every stump and in every part of the United States for extravagance, for the imposition of unnecessary, and therefore unjust, taxes upon the people of the country. What do we now see? Not an attempt to secure greater economy by the Democratic leaders in the Senate, but propositions to impose \$120,000,000 of additional taxes; and for what purpose? They can have no other purpose, or perhaps I should say they could have no other effect than to promote and incite further extravagance in appropriations and in expenditures.

Mr. BAILEY. Mr. President, I assume that the Senator from Rhode Island does not desire to misrepresent my attitude.

Mr. ALDRICH. I do not. I was coming to a statement which the Senator afterwards made in submitting his proposition.

Mr. BAILEY. Then I will refrain from further interruption until I see if the Senator from Rhode Island is as fair when he reaches that statement as he appears to be now.

Mr. ALDRICH. I will try to do so. It is true that the Senator from Texas qual-

fied his statement about the \$60,000,000 of revenue that would be obtained from an income tax by saying that it was his purpose, if that should be adopted, to reduce the taxes which are levied by the pending bill, or by existing law, upon other articles which might be designated as "articles in common use" or "necessaries of life." Is that a fair statement?

Mr. BAILEY. That is a fair statement. Not exactly, but in substance. If I were permitted to control the procedure, I would make the two propositions in one motion. I would provide for the reduction of the duties on articles of common necessity, and then I would supply the deficiency of revenue created by a remission of those duties to the people by the levy of an income tax. Of course, if I could not have my way, then I would vote for each proposition separately.

Mr. ALDRICH. I understand that to be the position of the Senator from Texas, and I desire very briefly to examine his proposition to reduce the taxes \$60,000,000 below the amount which it is estimated will be raised by this bill or by existing law. How will it be done, as a matter of practical operation? Can any one suggest to me any method by which it can be done?

#### *The Walker Free-Trade Idea.*

Robert J. Walker, in giving his idea of a revenue Tariff—and it is the idea of every man who has ever treated this question intelligently and from a logical standpoint—laid down the principle—

That no duty be imposed on any article above the lowest rate which will yield the largest amount of revenue.

Consider that, gentlemen—

That no duty be imposed on any article above the lowest rate which will yield the largest amount of revenue.

If duties should be reduced in the pending bill to that level, what would happen? You would increase the revenues, instead of reducing them, and your income tax would be more unnecessary than it is at this moment, because you would have a large surplus revenue—

It must be patent to Senators that if we are to reduce the rates imposed by the pending bill to a revenue basis it means an absolute increase of revenue rather than a diminution.

#### *One of Two Courses.*

The only way the revenue can be re-

duced substantially is by adopting one of two courses—either by the adoption of prohibitory duties, which will stop the revenue, or by placing manufactured articles that compete with articles produced in this country on the free list. I suggest that the Senator from Texas give that proposition his attention. That is the only way that the revenues to be derived from this bill can be reduced. There is, it is true, another method, adopted in the construction of the Wilson bill, the only Democratic Tariff with which this country has been cursed since 1846. What did that bill do? What was the effect of the legislation in that case? It did reduce revenues. How? By putting out the fires and the furnaces and stopping the machinery of production; by prostrating the industries of the United States and destroying the purchasing power of the American people. You can reduce expenditures by legislation which shall send this great and prosperous country into a state of decay and dissolution. Are you gentlemen upon the other side ready to do this?

Perhaps you would like to reduce the revenues for the purpose of imposing an income tax and thus taking the first steps for the destruction of the Protective system. That attempt has been made before; in fact, every time there has been a Republican Tariff measure before the Senate, within my recollection.

The traditions of your party, the interests of the great American people are all against this policy of yours. I shall be very curious to see what the Senator from Virginia and the Senator from Texas, with all of their ability and all of their ingenuity, can say in defense of the taxes—taxes which they seek to impose when there can be no necessity for their imposition.

#### **Free Coal Opposed as Contrary to Protection Doctrine.**

*From the Congressional Record of April 20, 1909.*

WILLIAM E. HUMPHREY, of Washington. Mr. Chairman, it is almost beyond the imagination of a Republican and a Protectionist how a committee with the distinguished gentleman from New York [Mr. Payne] at its head and the distinguished gentleman from Pennsylvania [Mr. Dalzell] its ranking member could bring in a bill containing a provis-

ion for free coal. I have been, from my youth up, imbibing my Protection faith from those two gentlemen, and now, alas, it seems that they are straying from the path that they have so long taught me to follow. So near as I can ascertain, the truth is, that coal has been placed upon the free list for a purpose never before followed in this country. The object heretofore in placing an item on the free list has been to encourage the bringing of that article into this country, but it seems that the inspiration for placing coal on the free list, except as to countries that place a Tariff on our coal, was to compel Canada to admit our coal without duty into that country. In other words, coal has gone on the free list to help certain Pennsylvania coal companies to increase their trade with Canada. To do this the other coal interests of the country and the interests of the consumers in this country have been sacrificed.

#### *Alaska Coal.*

The coal interests of the Pacific coast were not granted the opportunity to present their case to the Ways and Means Committee as fully as they should have been. The coal interest of Alaska, so far as I know, was not represented before the Ways and Means Committee by any one. The greatest known coal fields of the earth are in Alaska. Here is found a class of coal from the poorest to the highest, from the lignite and the bituminous to the highest grade of anthracite. The anthracite coal fields of Alaska are greater than the famed ones of Pennsylvania.

The only first-class coal, so far as is known, on the Pacific coast is in Alaska. There is a sufficient quantity of coal in Alaska to supply the world for more years than have passed since man first produced the miracle of fire. These mighty Alaskan fields are as yet wholly untouched. Two railroads have each already expended about \$5,000,000 in reaching these fields. A vast trade, immeasurable in its greatness, is awaiting this Alaska coal. The United States Government now sends to the Pacific from the Atlantic in foreign ships coal for the navy. These great fields of Alaska can furnish not only coal of all grades and varieties for the navy and for the Pacific coast States, but for all the nations bordering on that ocean. The work of developing these Alaskan coal fields has

just begun. Free coal means the death of railway construction in Alaska. Free coal means the death of Alaskan development. Free coal means the greatest injury that that Territory has ever suffered. Already British Columbia sends coal to Alaska. With free coal the mighty fields of Alaska are doomed to lie untouched. With Protection Alaska would soon supply all the vast trade of the Pacific Ocean. Certainly the Ways and Means Committee could not have been familiar with Alaskan conditions, or coal would never have been placed on the free list.

#### *Tariff on Coal and the State of Washington.*

The placing of coal on the free list means the practical destruction of the coal industry in Washington. It means the closing of the smaller mines. The facts upon this question are so clear and so easily demonstrated that it is hard to understand how a Republican Ways and Means Committee could ever for a moment have consented to place coal on the free list. It costs more to mine coal in the State of Washington than any place in North America outside of Alaska. On Vancouver Island, just across the British Columbia line, are coal mines that come in direct competition with the coal mines of Washington.

The coal of these mines of British Columbia is a little better grade than the coal of Washington. It costs less to mine it. It costs to mine a ton of coal in British Columbia \$1.40, while in Washington it costs \$2.04. This difference in cost is largely due to labor. Orientals are employed in the British Columbia mines, but none are employed in Washington. In freight rates the mine owner of British Columbia has an advantage. It costs him but 75 cents per ton to bring his product to Seattle and the other ports of Puget Sound. In all the markets of Washington the freight rates are favorable to the British Columbia dealer. In all American markets reached by water the British Columbia dealers have a great advantage, for they can use the foreign ship with its foreign crew of low-paid and poorly fed men, while the Washington owner can use only American ships. With better coal, easier mined, cheaper labor, and more favorable freight rates, how can anyone for a moment contend that the British Columbia coal will not

drive American coal from our markets, close our mines, and reduce the wages of the laborer? And what is the answer to these statements? No one will attempt to successfully dispute these facts. But the answer is that the people of Washington will thereby get cheaper coal. Unfortunately, the people of my State know that this will not be the result. They have had the experience. A few years ago we had a great coal famine in the Northwest. The conditions were most unusual. Our railroads were blocked. Appeals were made for troops to assist in moving trains in order that coal might be supplied to keep the people from freezing. Not a bushel of coal could be obtained in Canada. The same condition existed on that side of the line. We had to depend upon our own mines. Without them our people would have faced untold suffering. We could have gotten no relief from British Columbia.

If you reduce the Tariff on coal, not a single American consumer will be benefited. It was one of the greatest orators who exclaimed, "I know of no way to judge the future except by the past." That is the only light given to human reason in which events to come can be measured. Judged by that light, the removal of the Tariff on coal

### *Can Bring But Disaster to This Country.*

We had free coal in the great emergency of 1902, but it did not cheapen the price of a single bushel that was brought into this country upon the Pacific coast, not one.

In fact the price of coal immediately increased instead of being reduced. We had free coal, but the foreigner immediately raised his price. We reduced it under the Wilson bill, but not a single poor man saved one penny upon the coal that warmed himself and his family. Why will it be different now? What change has come in the law of human selfishness and greed? Wherein are the conditions different now than they were then? The conditions that we faced at that time were not theories or platitudes or Free-Trade dreams; they were living experiences, so recent that none have forgotten them. They were burned into our memories by the suffering and distress that we were forced to witness each day of the Wilson bill. With us it was not something to read about in some dis-

tant land and moralize over, but what we experienced every day at home.

For weeks before the Wilson law went into effect it was advertised that on that day British Columbia coal would be sold in Seattle. When that day came the coal was there. For the first and only time in the history of our State we enjoyed the luxury of giving our money to the foreigner for foreign coal mined by foreign labor. As long as memory shall last the people of my State will never forget what that luxury cost. One-third of our mines were closed, one-third of our miners were thrown out of employment, looking for work, and those that remained had their wages immediately reduced 15 per cent. We paid during that trying time of idleness and rags \$1,422,000 in American money for foreign coal, every dollar's worth of which could have been produced in our own State.

### *Lost One Million Five Hundred and Ninety Thousand Dollars In Wages.*

The miners of my State lost \$1,590,000 in wages. And did the foreigner reduce the price of coal? Not a single penny on a ton. Within three months he put the price back to the highest point and kept it there until the McKinley bill drove him from our markets. All the benefits of the reduction of the Tariff on coal went to the foreigner. All its poverty, its distress, and its curses fell upon us. Such was the result of 40-cent coal under the Wilson bill. In those never-to-be-forgotten days a good meal could be bought for 5 cents in the city of Seattle, but there were 3,000 people in that city who did not have the nickel. Two thousand men in that city were kept from starving by the grudging hand of charity. Twenty-five hundred people were patrons of free-soup houses, the only flourishing industry left by Democratic Free-Trade. Can any man tell me why these conditions will not curse us again if we have free coal? Will the result be different on this industry, with free coal, from what it was under a reduction to 40 cents per ton? I challenge any man who calls himself a Republican to answer that question.

### **Tariff Commission Not Wanted.**

*From the Congressional Record of April 21, 1909.*

CHARLES A. KORBLY, of Indiana. It is idle to talk about settling this question



by referring it to a permanent Tariff commission. The proposition involved is that a committee of experts will determine the amount of "Protection" needed. The defenders of the doctrine of the natural rights of man will never subscribe to this proposition. The underlying principle of American institutions is the innate capacity of the people to settle for themselves all questions of government. This principle recognizes the certitude of reason and the natural dignity of man. Consequently this question will have to be settled by the people in the court of reason; and, in my opinion, they will never submit to a "committee of experts" questions which, in the very nature of things, and as a matter of right and duty, they must settle for themselves.

### Every Farmer Should Be a Protectionist.

*From the Congressional Record of April 21, 1909.*

DICK T. MORGAN, of Oklahoma. Mr. Chairman, much has been said in the discussion of the pending Tariff measure about how the Tariff affects the farmer. Every effort has been made to make the farmers of the United States believe that the policy of Protection is detrimental to their interests. However sincere the gentlemen may be who utter such statements, I am confident the policy of Protection is beneficial to the farmer, and I shall try to show this fact.

#### *Number of Farmers.*

In 1900 there were in the United States 10,381,765 persons, 10 years of age and upward, engaged in agriculture. At the same time and of the same age, there were 7,085,309 persons engaged in manufacturing and mechanical pursuits; 5,580,657 persons engaged in personal service, including unclassified laborers; 4,766,964 engaged in trade and transportation; and 1,258,538 persons engaged in professional service. In the aggregate, there were in the United States in 1900, 29,073,233 persons, 10 years of age and upward, engaged in gainful pursuits. Those engaged in agriculture constitute more than one-third of our great industrial army. Agriculture is the cornerstone of our strength and greatness. Any policy that does not give the farmer, as compared with others, a fair and just reward for his labor, industry, energy, and

intelligence must inevitably result in disaster to the whole Nation.

I want to discuss the question, Is a Protective Tariff beneficial to the farmer?

#### *The Farmer Should Be a Protectionist.*

If I did not believe this question should be answered in the affirmative, I would cease to be a Protectionist. I could not favor, advocate, or aid in perpetuating a policy or system that was inimical to the interests of the ten millions of intelligent, progressive, and patriotic farmers of the United States.

In my judgment every farmer should be a Protectionist. The farmers above all others should stand by the policy of Protection. In the future, more important than in the past, the farmer will be interested in maintaining the policy of Protection. To my mind there is no possible way the farmer can be benefited by tearing down the Tariff walls and placing our agricultural products and our manufactured products in free competition with the products of the world.

The lowering of all our Tariff schedules to a revenue basis could have but one effect—the increase of importations. Indeed, that is the object of a revenue Tariff—to get revenue. The Democratic idea is to abandon the principle of Protection—to have a Tariff solely for revenue only. You can not increase the revenue by reduction of duties unless there is an increase in the importations of foreign goods, wares, and merchandise. Suppose that by reducing our Tariff to a revenue basis, as advocated by the Democratic party, we double the amount of goods imported from foreign countries.

The reduction of the Tariff could not increase the capacity of the American people to consume. The result would be that

#### *We Must Manufacture So Much Less Goods at Home.*

If we are to manufacture less goods, we must employ less men. The men whose services would be needed no longer in the manufacturing business must seek employment in some other line. Where will they go? There is but one place—to the farm. They then become competitors of the farmer. Before they were his customers. They were employed at good wages, they had money to buy, they had to live, and they were able to live well and pay the farmer fancy prices for his products.

So the process would go on, ever increasing competitors and decreasing the customers of the farmer.

The lowering of duties to a Tariff-for-revenue basis means larger importations and consumption of foreign-made goods, wares, and merchandise, and a corresponding reduction in the amount of such products manufactured at home. This means the employment of a less number of men in our mills, factories, and manufacturing establishments. The natural and inevitable result is to decrease the number of men employed in nonagricultural pursuits and increase proportionately the number of men employed in agriculture. This process can not possibly benefit the farmer. The farmer, from a selfish standpoint, is interested in increasing as rapidly as possible the number of men in this country who are not engaged in agriculture. They are his customers. They consume his products. The farmers, like men engaged in other lines of business, are interested in having as many customers as possible. The more customers, the greater the demand. The farmer now constitutes about one-third of our population.

#### *Has Increased His Customers and Decreased His Competitors.*

The reduction of the number of farmers from one-third to one-fourth of our population would unquestionably decrease the supply, increase the demand, and advance the prices of farm products. This is what the farmer wants—from a selfish standpoint. In other words, the farmer is interested in increasing the number of his customers and decreasing the number of his competitors. This is what the policy of Protection to American industries has been doing. Through great industrial development we have built up great cities. The millions in our great cities are the customers of the farmers. As a result of this wonderful development of our manufacturing trade, transportation, and commercial interests, the farmers have been called upon to give their sons and daughters to the nonagricultural classes. Their own children have become their customers instead of their competitors. This has been favorable to the farmers in this, that it has decreased the number of farmers and increased the number of non-farmers.

Many have tried to determine why peo-

ple were leaving the farms and going to the cities. This is easy. The policy of Protection has done it. Men would not leave the farm to go to cities unless employment was offered; they would not go without favorable inducements in trade, in commerce, in business, in manufacturing, and in the professions. Back of all this great movement toward our cities has been our policy of Protection to American industries and to American labor.

Free public land in the West has been the one thing that has enabled the farming interests to keep pace with our manufacturing interests. Free homestead land has drawn and held to the farms millions that otherwise would not have become or remained farmers. But the free lands, suitable for general farming, are no more. Henceforth the growth of agriculture and the increase of agricultural products must come largely through better methods, improvement in machinery, enrichment of soil, economical management, and greater knowledge of the science of agriculture.

The farmers above all others should stand by the policy of Protection, because under this policy in the future, more than in the past, proportionately there will be fewer farmers and more of the nonfarming class. In other words, the continuation of the policy of Protection means to the farmer from year to year more customers and fewer competitors. This means a general and continual advance in the prices of farm products. This means greater profits for the farmer.

#### *Farmer Wants Best Customers.*

The Protective Tariff not only gives the farmer more customers, but it gives him better customers. Better customers, because they have more purchasing power and are nearer to the farmer.

The farmers of the United States have at home the best customers in the world—customers with the highest purchasing power and with the greatest capacity as consumers. They eat more and better food; they wear finer clothes; they live in more comfortable houses; they have better furniture in their dwellings; they have more of the comforts as well as the luxuries of life; and live upon a higher plane than the customers and consumers of the farmers of any other nation in the world. This is demonstrated clearly by the indisputable fact that the scale of wages in

the United States, on an average, is from two to three times higher than the scale of wages of Great Britain, Germany, and France, the three greatest nations of Europe. I submit herewith a table, taken from official sources, giving the scale of wages per hour in the United States and in Great Britain, Germany, and France. The table is as follows:

### *Plant Factories Beside the Farm.*

No intelligent American farmer will voluntarily exchange customers with the farmers of other nations. The sensible American farmer will continue to vote for a policy that guarantees to him as customers wage-earners who receive from 100 to 200 per cent, higher wages than do

#### *Wages per hour, 1903.*

	United States.	Great Britain.	Germany.	France.
Blacksmiths .....	\$0.2951	\$0.1740	\$0.1237	\$0.1629
Boiler makers .....	.2848	.1719	.1123	.1455
Bricklayers .....	.5472	.2062	.1328	.1325
Carpenters .....	.3594	.2028	.1301	.1544
Compositors .....	.4467	.1795	.1411	.1303
Hod carriers .....	.2863	.1250	.0849	.0965
Iron molders .....	.3063	.1787	*.1140	.1310
Laborers .....	.1675	.1019	.0797	.0965
Machinists .....	.2707	.1677	.1310	.1326

\*In 1900.

the wage-earners of any other country of the globe.

It is a great advantage to the farmer to have his customers at home. They should be as near his farm as possible. Every farmer knows the importance of having a farm within a reasonable distance of our great cities. This gives the farmer a market at his door. This not only saves large expense in transportation charges but it enables the farmer to market products which are of a perishable nature.

### *Best Market in the World.*

The policy of Protection gives our farmers the best market in the world. It is a Protected market. The Dingley law and the provisions in the Payne bill now under consideration give ample Protection to virtually every farm product. The Free-Traders and low Tariff advocates sneer at the provisions in this bill that place a duty upon the imported products produced by the farmers. This, however, is not argument. The fact is that the farmers of the United States are greatly benefited and will be greatly benefited by the Tariff placed upon imported farm products. To take the duty off of farm products and open our ports to the free importations from the countries surrounding us, would unquestionably work to the injury of the farmers of the United States.

### *Canadian Competition.*

North of us is the Dominion of Canada.

with probably 2,000,000 farmers. Within 500 miles of the border of Canada are situated most of the great cities of this Nation—New York, Boston, Philadelphia, Pittsburg, Buffalo, Cleveland, Cincinnati, Indianapolis, Chicago, Milwaukee, St. Paul, and Minneapolis. In this same belt are many other cities with 100,000 or more population. The duty taken off of farm products would invite the farmers of Canada into these great markets, now preserved for the exclusive use of the farmers of the United States. These great markets would be tempting to the farmers of Canada. Being so close to these great cities, the farmers of Canada would have an advantage over the farmers of the great Southwest. A better market for the Canadian farmer would give a great impetus to Canadian agriculture. The farmers of Canada would increase their products to a large extent. These great cities, constituting the main market of the farmers of the United States, would be flooded with products of the farms of Canada. The farmers of the United States will certainly rue the day when they vote for a policy that gives special encouragement to the farmers of Canada to extend their farms and increase their products for consumption in the American market.

What is said of Canada may be said of Mexico, all the South American States, Australia, and Russia.

### *Farmers' Surplus Sold Abroad.*

The advocates of a Tariff for revenue

only repeat the charges that the duty upon farm products is not advantageous to the American farmer because the surplus products of the farmer are sold abroad in competition with the farm products of all other countries. They declare that the price abroad fixes the price at home. The farmers of the United States should not be deceived by this oft-repeated statement.

It must be remembered that the farmers of the United States in 1907 exported only 14.5 per cent of their products. They have a home market for 85.5 per cent for all the products they produce. The export of farm products consists almost entirely of cotton, wheat, corn, and meat products. It is true that these are staple products, but, nevertheless, these products are but a small per cent of the total products of the farmers of this country. Farmers must bear in mind, however, that they can not secure any advantage by a policy that will increase the amount of their surplus products which they must export, and will decrease the amount of their products consumed at home.

#### *Increase of Importations Can Not Benefit the Farmer.*

The farmers of the United States could not be benefited by a change of policy that would compel them to seek a market abroad for 50 per cent of their products, instead of 15 per cent of their products. The larger importations of manufactured goods, wares, and merchandise into the United States, brought about by the reduction of the Tariff to a revenue basis, could not benefit the American farmers. To increase the importations of manufactured goods means to increase exportations of farm products. More and more this would place the American farmer in competition with the farmers of Canada, Mexico, Australia, Russia, and other foreign countries.

#### *We Prosper Together.*

The farmer can not prosper unless there is general prosperity. There can not be general prosperity without the farmers share therein. The farmer is interested in the prosperity of the 7,000,000 men engaged in manufacturing and mechanical pursuits. He is vitally concerned in the welfare of the 5,000,000 engaged in personal service, including the unclassified laborers of our land. His interests de-

mand that the 5,000,000 men engaged in trade and transportation shall be amply rewarded for the capital invested and the labor performed. Finally, the farmer wants to see the million and a quarter of men engaged in professional service fairly recompensed for time and talent expended. All these men are the farmer's customers. Their misfortunes are his misfortunes, their poverty is his poverty, their want is his want. The farmer can not grow rich unless his customers are prosperous and able to buy his products at good prices.

#### **The South Wants Cotton-Seed Oil Protection.**

*From the Congressional Record of April 21, 1909.*

NELSON W. ALDRICH, of Rhode Island. There is no doubt whatever that under the Senate committee's bill cotton-seed oil will pay a duty of 25 per cent ad valorem. Under the bill as passed by the House it was on the free list.

Mr. BEVERIDGE. May I ask the Senator from Georgia a question that is pertinent right here? I understand the Senator from Rhode Island to say that the House placed cotton-seed oil on the free list.

Mr. ALDRICH. It did.

Mr. BEVERIDGE. And the Senate committee fixes a certain duty.

Mr. ALDRICH. Twenty-five per cent ad valorem.

Mr. BEVERIDGE. Which does the Senator from Georgia recommend?

Mr. BACON. I am sure I do not know. I want some information from the committee. I do not know whether there is any importation of it. I do not think there is.

Mr. BEVERIDGE. I understand the Senator does not know at this time whether he is in favor of free cotton-seed oil or not.

Mr. BACON. It depends a good deal on circumstances. There are circumstances under which I would not favor it. If there is no cotton-seed oil imported, I see no reason why it should not be on the free list.

Mr. ALDRICH. I have information now in regard to cotton-seed oil, and I think I will bring it to the attention of the Senator from Georgia.

The importations of cotton-seed oil for the year 1908 were 202 gallons, valued at

\$81, upon which a duty of \$8.38 was collected.

Mr. BACON. I think it had better be put on the free list, then.

Mr. ALDRICH. Does the Senator suggest that it go on the free list?

Mr. BACON. I will wait until we get to it, though I see no objection to its going there.

Mr. ALDRICH. Every man in the South who produces cotton or who produces cotton-seed oil is extremely anxious that it shall not go on the free list.

#### *An Industry Which Should Be Protected.*

There was produced in 1905 in the United States 133,817,772 gallons of cotton-seed oil, valued at \$31,341,912. The present duty upon cotton-seed oil is 4 cents per gallon, which is prohibitory. The duty now suggested is 25 per cent ad valorem, which is put on this article as a Protective duty to prevent the importation into the United States of cotton-seed oil produced in Egypt or in any other country that is now producing cotton, and which, so far as I am concerned, I will defend against all comers. I think it is an important American industry. It is an industry which should be Protected, and, so far as I know, the producers of cotton-seed oil in the South desire to have it Protected.

Mr. President, there are many duties imposed by this bill the effect of which has been to stop importations. The reduction of that duty, even to the extent of 10 per cent, might bring about a state of affairs which would destroy every American industry. I do not mean to say that the cotton-seed oil industry would be destroyed if the duty were reduced below 25 per cent, but I see no reason—and I trust the Senators upon the other side see no reason—why we should make an experiment and reduce the duty on cotton-seed oil below the Protective rate.

Mr. TILLMAN. The cotton-seed oil producers do not want any Protection on it.

Mr. ALDRICH. I dislike very much to repeat a private conversation; but I think that what I am about to allude to is so pertinent that the Senator from South Carolina will forgive me if I mention it.

Mr. TILLMAN. Surely.

Mr. ALDRICH. The Senator from South Carolina brought to me three gentlemen yesterday or to-day—

Mr. TILLMAN. Yes.

Mr. ALDRICH. To talk to me about the rate on some oil products.

Mr. TILLMAN. No; they wanted to talk to you about a rate on oleostearin, which is a by-product of the slaughter of beef cattle, and is used in the manufacture—

Mr. ALDRICH. It is an oil product.

Mr. TILLMAN. It is used in the manufacture of compound lard; and the cotton-seed oil people want it to go on the free list.

#### *Large Producers Asked Protection.*

Mr. ALDRICH. I understand all that; but one of those gentlemen represented the largest producers of cotton-seed oil in the United States; and we have on record with the Committee on Finance the strongest possible protest from two of the gentlemen that the Senator presented to me against reducing the duty on cotton-seed oil or putting it on the free list.

Mr. TILLMAN. That may be. It is because they, along with others of the South, imagine that there is some Protection to American industry—for instance, in the manufacture of cotton. We have got factories in South Carolina whose product was almost wholly exported to China until the rebellion over there several years ago, which disrupted the commercial relationship; and those people were in favor of a Protective duty on cotton, but the people of the South do not want it.

Mr. ALDRICH. Mr. President, I wanted to bring to the attention of the Senator from South Carolina by witnesses of his own production the fact that the producers of cotton-seed oil in the South do object to having it put upon the free list and insist upon having a duty imposed upon it.

Mr. TILLMAN. That may be, but I do not represent any such people. [Laughter.]

#### *Wanted, Illumination As to Principles.*

Mr. ALDRICH. Mr. President, I have sometimes had doubts whether the Senator from Nevada [Mr. Newlands] had any authority to represent either the Democratic party or any progressive element of the Republican party. He is anxious about principles. I wish he would illumine the Senate briefly, if he can, as to what are the joint principles of the gentlemen to which he has alluded. What would they do in a concrete case? For

instance, take the duty on borax at 150 per cent ad valorem. What would the Senator suggest as a practical question about borax? Would he assume from the fact that there is 150 per cent ad valorem upon it, it ought to be put upon the free list? Would he suggest that the duty should be reduced so low that the mines and the borax producers in Nevada should be wiped out completely and the foreigners should be given the benefit of the great market of this country? What are the joint principles of this new coalition which the Senator from Nevada is going to lead?

I hope they will be disclosed, that the Senate and the people of the country may know upon what principles this combination is to be held together.

### The Tariff Bill That Was Approved by George Washington.

*From the Congressional Record of April 22, 1909.*

HENRY D. CLAYTON, of Alabama. The hearings before the Ways and Means Committee of the Sixtieth Congress, page 7592 and following pages, will tend to show how little the workman gets out of a Republican Tariff.

Mr. KEIFER. I ask the privilege of reading three or four lines of the opening sentence of the first general law—

Mr. CLAYTON. Oh, I am perfectly familiar with that.

Mr. KEIFER (continuing). Passed by the Congress of the United States by a unanimous vote of the Members of that Congress; being the preamble to a bill that was approved by George Washington, in which—

Mr. CLAYTON. I hope the gentleman will not make a speech—read.

Mr. KEIFER (continuing). It was stated that the bill was to encourage and Protect American manufactures.

Mr. Clayton. If the gentleman wants to read, he can read.

Mr. KEIFER. I will read it.

Mr. CLAYTON. Now, read it. I do not want to hear any harangue, but I am willing that the gentleman should read.

Mr. KEIFER (reading):

"Whereas it is necessary for the support of the Government, for the discharge of the debts of the United States and the encouragement and Protection of manufactures that duties be laid on goods, wares, and merchandise imported."

Mr. CLAYTON. I will ask the gentleman what was the average rate of that Tariff bill?

Mr. KEIFER. It was to Protect American manufactures, and it was the first bill for a general law approved by George Washington, then President of the United States.

Mr. KENDALL. I desire to inform the gentleman from Alabama that there is no idea in Iowa that is not in favor of Protection to the American industries. [Applause on the Republican side.]

Mr. CLAYTON. I refer the gentleman to your distinguished Senator from Iowa, Senator Cummins, and let you and him wrestle with the difference between the Republican Tariff and his idea, that he wants to lower your Protective prohibitive wall, so that competition from abroad may come in and drive the trusts, who sheltered themselves behind that high wall of Protection, from place and power, to enable the consuming American people to buy what they need in the different articles of life at a reasonable price. [Applause on the Democratic side.]

### What Governor Cummins Said.

I want to say to the gentleman from Iowa that I am told that the same gentleman, now in the Senate, Senator Cummins, has said that the Tariff has robbed the American people of more than a billion dollars a year. He said so, so I am told; and if this statement be not accurate, I ask you now to contradict it.

Mr. KENDALL. Mr. Chairman, I challenge the statement of the gentleman from Alabama.

Mr. CLAYTON. The challenge does not go. If we want to pass a challenge, you and I might meet on the outside and fight it out. [Laughter.] Is it so or is it not? Now, confess that it is so or that it is not so or that you do not know, like the answer that the average Republican gives.

Mr. KENDALL. I have too much confidence in his good sense to believe that he made the statement imputed to him by the gentleman from Alabama [Mr. Clayton].

Mr. CLAYTON. I do not know whether he said it or not. It was quoted in the public prints.

Mr. KENDALL. In what paper?

Mr. CLAYTON. I do not recall that. God forbid that I should ever try the case by Republican utterances.

Mr. CLARK, of Missouri. If the gentleman from Alabama [Mr. Clayton] will yield to me, I will state precisely what Senator Cummins said. He said—

Mr. KENDALL. I would like to inquire of the gentleman if he is reciting it from memory or reading it from manuscript?

Mr. CLARK, of Missouri. I am not reading it from manuscript, but I would not forget it in a thousand years. It was published in the American Economist and divers papers. He said this: That all the robberies committed by all the insurance companies for all time did not equal one-fifth of the amount that the American people were robbed of every year under this High-Protective Tariff system. [Applause on the Democratic side.]

### The Republican Party Was Pledged to Revise the Tariff from a Protective Standpoint.

*From the Congressional Record of April 22, 1909.*

JOSEPH W. BAILEY, of Texas. When you levy a tax in this bill three times as great as the one in the old law, you have not kept your promise to the American people to revise the Tariff in the interest of the consumer, or downward, or to revise it.

Mr. ALDRICH. Mr. President, where did we ever make a statement that we would revise the Tariff downward?

Mr. BAILEY. I did not say that. I made three statements. I said whether you would revise it downward or revise it in the interest of the consumer or revise it. I was trying to cover the Democratic and Republican statement, too; and certainly the Senator must have perceived that, when I said it in three different forms. I will ask the Senator if his party did not pledge themselves to revise the Tariff?

Mr. ALDRICH. They agreed to revise the Tariff upon the basis of rates which would equal the difference in cost of production between this country and abroad, with a reasonable profit.

Mr. BAILEY. There is not a Senator here, there is not an intelligent man in this country, who will venture to say that if the Republican party had affirmed its belief that the present law levied duties too low and that they intended to revise it and to increase those duties—there is

not a man in this Chamber who will stand up and say he believes that the American people would have elected a Republican majority to the other House of Congress.

### The People Understood That the Republican Party Was a Party of Protection.

Mr. ALDRICH. The people of the United States, if the Senator will permit me, understood very well when the recent election took place that the Republican party was a party of Protection—

Mr. BAILEY. That is true.

Mr. ALDRICH (continuing). That it was bound to revise the Tariff from a Protective standpoint, and to make rates in every case to equalize the difference in the cost of production in this country and in competing countries abroad, plus a reasonable profit. If there is any item in this bill as reported by the Finance Committee that exceeds that rule or does not come up to it, it ought to be made to conform to the rule.

The Republican party holds the commission of the people of the United States to revise the Tariff upon those lines, and upon no other; and I should consider myself recreant to my trust if I did not follow implicitly those lines, let them strike wherever they may. If there is a rate of duty in this bill that does not give to the American producer of an article which is entitled to Protection a guaranty of the difference in the cost of production, I am for amending the bill whether the rate is the established rate or another.

Mr. BAILEY. I was not without warrant in saying that the Republican party meant, or at least it desired the country to understand that it meant, that the Tariff revision which it promised the people was a revision toward the bottom and not toward the top.

Mr. ALDRICH. Mr. President, I was a Protectionist before the adoption of the Chicago platform. I expect to remain a Protectionist as long as I shall live, because I believe that that policy is the only correct policy for the people of the United States to adopt and to maintain.

### *Increases Few, Reductions Many.*

The Senator has referred to the interpretation of the Chicago platform given by the President of the United States. I agree fully with that interpretation. A majority of the members of the Commit-

tee on Finance agree fully with that interpretation. The number of advances in the bill now before the Senate above the rates now in force is very few. The Senate to-day has been considering two of them in one paragraph? Why? Because conditions have been changed. To use the language of the President, conditions have changed since the act of 1897 was passed, which makes the revision in this paragraph necessary. The Senator will find very few examples in the bill of any increases of rates above the act of 1897.

The Senator asked me about the free list. We have put upon the free list several articles that were not in the act of 1897. Taken as a whole, the bill incorporates large reductions throughout its length below the existing law, and if this revision becomes a law, as I certainly hope it will, it will be an answer to the pledge of the party to which I belong and an answer to the demands, as I understand them, of the American people.

### **Disappointed Because He Thinks the Rates Too High.**

*From the Congressional Record of April 22, 1909.*

KNUTE NELSON, of Minnesota. There has been practically no reduction in rates. In a few instances there have been trifling cuts; in a few other instances there have been slight increases. Take these schedules: Cotton and manufactures of cotton, 53.38 per cent; earthen, stone, and china ware, 58.56 per cent; glass and manufactures of glass, 53.22 per cent; manufactures of wool, 89.42 per cent. Of all the schedules of this bill the highest by all odds in every way, taking them in the aggregate and in detail, are these four schedules—cotton; earthen, stone, and china ware; glass; and the manufactures of wool.

I can only say to the members of the Committee on Finance that I am greatly disappointed that they have made no effort in any respect to effect any particular reduction in the four schedules to which I have referred. These industries, of cotton manufacturing, woolen manufacturing, glass manufacturing, and earthen, stone, and china ware manufacturing, have been under high Protection for years. The statistics show that they practically control the market. There

were in 1907 only between seven and eight million dollars' worth of wools imported into this country, practically showing that we have a complete monopoly of the home market. That is all right; but why should we continue this excessive duty? The paragraph that I have asked to have passed over provides an ad valorem rate of 60 per cent.

### **Former Tariff Reduction Closed the Woolen Mills.**

Mr. GALLINGER. I want to ask the Senator if he has reached a conclusion as to how great a cut, for instance, should be made in the duty on wool and woolens?

Mr. NELSON. I called attention to the duty on woolens. If the Senator from New Hampshire will bear with me, I will say that I think the duty on raw wool, on scoured wool, and on washed wool could well bear a fair reduction; but just how much I do not know. What I criticise more particularly—and I call the attention of the Senator from New Hampshire to the fact—is the duty on woolen manufactures. The Protection on raw wool is only 40.93 per cent, whereas the Protective duty on manufactures of wool is 89.42 per cent, almost 50 per cent more duty on manufactured wool than on the raw material.

Mr. GALLINGER. Well, Mr. President, that discrepancy, I think, will be found in every schedule. I want to say to the Senator that we all remember the agitation for reduced duties on wool that occurred a few years ago. We had a very great reduction made in the woolen schedule. It was hailed with joy all over the country as an improvement in our Tariff legislation, and it was claimed in Democratic circles that it would greatly redound to the benefit of the working people.

Mr. NELSON. I want to remind the Senator that that is exactly the same spirit that actuates New England now in asking for free hides. They want free raw materials.

### **Low Duties Brought Disaster.**

Mr. GALLINGER. The result of that agitation and that legislation, Mr. President, was that every woolen mill in New Hampshire closed its doors, and every workingman in those mills was out of employment. I do not know that the



Senator wants a reduction equal to what was made in the Wilson Tariff law.

Mr. NELSON. Let me ask the Senator if he does not think that the manufactures of woolen goods can bear a reduction from the present duty of 89.42 per cent?

Mr. GALLINGER. I do not know how that may be; I have not made a very careful inquiry into it. I know, however, that the woolen industry is not very prosperous at the present time in New England, notwithstanding the Senator may think to the contrary. But I do know that we had disaster, so far as the woolen industry was concerned and so far as the sheep-raising industry was concerned, under the agitation for low duties on wool and woolen goods from 1894 to 1897, and we do not want to see that condition repeated.

#### *What Caused the Panic of 1893.*

Mr. NELSON. You can lay a good deal to the Tariff of 1894. It was not altogether the Tariff of 1894 that brought about the hard times. They came largely from the financial panic that occurred in 1893. Let us be fair and candid. While the Tariff cut some figure, it was the panic in 1893 that brought stagnation, just as in the case of the panic of 1907, from which we are still suffering. Can you ascribe that suffering and what occurred in the panic of 1907 to the Tariff law? The Dingley law has been in force during all that time.

Mr. GALLINGER. Mr. President, conditions were very different. The Senator himself said that the panic of 1907 was a financial panic, and I understood him to suggest that it originated in Wall street. It is a pretty well-known historical fact that the conditions that existed from 1894 to 1897 were due to the Tariff law that was put on the statute book by the Democratic party.

Mr. NELSON. Not wholly. We had a panic in 1893, a monetary panic, more acute in some respects and lasting longer than the panic of 1907, growing out of the silver issue.

#### *It Was Well Understood that We Were to Have a Democratic Tariff Law.*

Mr. GALLINGER. And when that panic occurred it was well understood that we were to have a Democratic Tariff law, which we had and which brought about the condition I suggested.

Mr. NELSON. While I do not justify the law of 1894, I want to be fair enough and manly enough to say that all of the stagnation that prevailed during those dreary years from 1893 to 1897 and 1898 was not altogether owing to that law. It was more owing to the vicious conditions under which our currency existed. It was on account of that as much as on account of the Tariff.

I would no more think of charging the Dingley Tariff with the panic of 1907 than would the Senator from New Hampshire. You can not charge that. Would you charge the panic of 1907 to the Dingley Tariff law?

Mr. GALLINGER. The Senator said it was a Wall street panic; that it had no reference to our—

Mr. NELSON. I am putting the Senator from New Hampshire on the stand.

Mr. GALLINGER. I will take the Senator's statement on that point. He probably knows what he is talking about. He says it was precipitated by Wall street—for the purpose of the millionaires of Wall street. I do not know.

Mr. NELSON. What is the Senator's opinion?

#### *The Stagnation Disappeared.*

Mr. GALLINGER. I have no opinion about it. If the Senator will permit me, I wish to call his attention to the fact that the stagnation which he admits existed from 1894 to 1897 very rapidly disappeared when we passed the Dingley Tariff law and men were given employment. Then our mills were opened. Every woolen mill in New Hampshire and throughout New England began giving employment to men.

Mr. NELSON. That helped us.

Mr. GALLINGER. Yes.

Mr. NELSON. But in the meantime we disposed of the silver question by the election of McKinley.

Mr. GALLINGER. Yes.

Mr. NELSON. We had buried forever the doctrine of free silver, and that more than anything else—more than Tariff legislation—restored confidence to the American people.

Now, let the Senator from New Hampshire be a little candid. The facts were that the business world in 1894, 1895, and 1896 was afraid of silver monometallism. The money of the country went into hiding—was put away in old stockings and bureaus, and not put into active use—

because the men who held the money had the fear that if Bryanism and free silver prevailed, they would have to take the money back in depreciated dollars.

Mr. GALLINGER. But, Mr. President—

Mr. NELSON. But as soon as it was announced that McKinley had been elected, and that we would stamp out the silver heresy and settle upon a sound financial basis, prosperity began to come to the country, even after election day, six months before we enacted our law.

### *The Silver Question Had Nothing To Do With the Panic.*

Mr. SCOTT. The Senator is surely aware that the silver question was not an issue in 1892, 1893, and 1894.

Mr. NELSON. I say in 1896.

Mr. SCOTT. We had the panic before that; that is, one panic. That disposes of your argument in that respect.

Mr. GALLINGER. If the Senator will permit me—and that is the only observation I care to make—it is to my mind a new theory which the Senator evolves, that our troubles from 1893 to 1897 were due to the agitation of monometallism. I think it had as much to do with it as the last eclipse of the moon.

Mr. NELSON. What about the moon? [Laughter.]

Mr. GALLINGER. I will repeat it for the Senator's benefit. I think the silver question had as much to do with the depression in business, after the enactment of the Wilson Tariff bill, as the last eclipse of the moon, and nothing more.

The truth is, and history bears it out, that our rates of duty were reduced below the Protective point. Our industries went out of existence; our workmen were thrown out of employment; and we had disaster such as I think the Senator does not want to see repeated.

### **Why the Glass Industry Should Be Amply Protected.**

*From the Congressional Record of April 22, 1909.*

NATHAN B. SCOTT, of West Virginia. In cut glass the great injustice that has been done the American manufacturer has been, of course, not in the workings of the Protective Tariff on that article, but by the rascally importers.

While there was a classification of com-

mon glass at a less rate of duty, the importer in New York would have that article roughed; he would have it put on the second stone; he would have it put on the third stone. There it was, 90 per cent of the cutting done upon that article. He would bring it in as common glass, take it to a glass cutter, polish it, and have a finished article. That was the great injustice done to the manufacturers of this country; and I am glad that this provision of the bill is just as it is, and it is only right and only fair, not only to the manufacturers of glass, but to the consumer, Mr. President.

I appeal for justice to the consumer, because that enables us to produce and to give them an article at a lower rate than if we did not have that Protection.

Further along, Mr. President, I shall perhaps have something else to say on this subject.

### *Duties Might Be Reduced.*

Mr. DOLLIVER. Mr. President, I do not wish to be put in the attitude of criticising the earthenware and glass schedule. Within my own lifetime those industries have been built up in the United States, and nothing has more completely illustrated the practical wisdom of our theory of Protection than these industries. I have been especially glad to see them grow because of two things. In the first place they deal with a very crude and primitive material, everywhere abundant in the United States. The entire business is a labor proposition; and then again they are in a sense manual industries. I do not think very much progress has been made in the substitution of automatic machinery for the old-fashioned methods of producing glass and pottery. The industries have grown in the United States, and they ought to grow, because there is hardly a part of our country which is not filled with an abundance of this material.

Seeing that the industry has been established, seeing that it has grown up and fulfilled all the prophecies that we have made with respect to it, seeing that we make now, out of the common clay, earthenware and pottery useful and ornamental and beautiful, and seeing that this glass industry has gone into nearly every section in the United States, the only question I have had is whether we might not with wisdom and without damaging the Protective doctrine remit somewhat

these duties, if for no other purpose than to give an advertisement of the influence and effect of our Protective system and philosophy.

A company with which I was connected twenty-five years ago shipped from fifty thousand to seventy-five thousand dollars' worth of goods to Germany and other European countries, because our appliances, such as molds and processes, were not known specially to the German people; but as soon as the shrewd Germans and other foreigners were informed of what we were able to do by these improved appliances, the shrewd Yankees who had produced these appliances were unable to export goods, and they went over to that country and sold their molds and their processes and their appliances for making glass over there. Then, as soon as the foreigners had those appliances, they could send the goods back to us if it was not for the Protection given by the Republican party through the Protective Tariff.

### To Save an Industry from Absolute Destruction.

*From the Congressional Record of April 22, 1909.*

REED SMOOT, of Utah. In paragraph 408 there will be found an item of postal view cards, on which the rate was 5 cents a pound. Would the Senator, if we could prove to him that it was absolutely necessary to save that industry from absolute destruction to increase the rate 400 per cent, vote for such an increase?

Mr. DOLLIVER. I would investigate it with very great care.

Mr. SMOOT. I will ask the Senator, if, after he had made a full investigation, with very great care, he found that it was absolutely necessary to so increase the rate, would he then vote for it?

Mr. DOLLIVER. I would hesitate a while. [Laughter.]

Mr. BEVERIDGE. How would the Senator prove the cost of such cards there and here?

Mr. SMOOT. I can bring the Senator, if he so desires, from 50 to 100 invoices of these very postal view cards of Washington City that have been made in Germany, and they are flooding this country from one end of it to the other.

Mr. BEVERIDGE. Valued where?

Mr. SMOOT. Valued in New York City.

Mr. BEVERIDGE. The point, Mr.

President, of all these questions, of course—I will not pursue it further—clearly is to show that when you use the legal word "proof," you have no such proof before you. You have ex parte testimony, and that is the best you can have. I make no quarrel about it, because up to this time that is the only kind of proof we have had. That does not apply to this case more than it does to others.

Mr. SMOOT. I want to say—

Mr. BEVERIDGE. What the country wants are the facts.

Mr. SMOOT. I want to say that a manufacturer in Germany will not continue to sell the goods at a loss for a period of four or five years; and if the actual invoice of the German manufacturer and the American purchaser is not evidence as to what they sell those postal cards for, I do not know where on earth you would find it.

Mr. BEVERIDGE. Where would you find evidence as to the cost here?

Mr. DOLLIVER. If we have an industry here that requires a Protection of four or five hundred per cent, I believe it would be cheaper, unless the industry is very large and involves a great multitude of people, to send some detective over there to see how they manage the thing.

Mr. SMOOT. I do not know whether the Senator desires me to answer that; but I can tell him one thing as to how they manage it. They manage it, in the first place, by paying the laboring man one-fourth of what he is paid in this country.

### No Increase of Duties in the Woolen Schedule.

*From the Congressional Record of April 22, 1909.*

NELSON W. ALDRICH, of Rhode Island. The Senator from Iowa was a Member of the House of Representatives in 1890, as I recollect, when the McKinley bill was passed, though I think he was not then a member of the committee which framed it. The rates upon woolen cloths were substantially identical in the McKinley act with those in the Dingley act and the rates reported by the Senate committee.

The criticisms in which the Senator has just now indulged were heard from every Democratic Member of the House practically, and every Democratic Mem-

ber of the Senate; but I have never heard that the Senator from Iowa raised his voice in accord with those criticisms, or that he had done anything else except to defend and vote for those schedules with which he has recently discovered so much fault.

Mr. DOLLIVER. On the contrary, my discovery of faults has not been recent, if my honorable friend will permit me. For many years it has been a growing conviction with me that the Protective-Tariff system, in order to be perpetuated in the United States, must be made more reasonable; and when I first entered the Senate, now nearly nine years ago, I ventured to express that modest conviction, although it was "a voice crying in the wilderness."

#### *Senator Allison's Position.*

Mr. ALDRICH. The McKinley and Dingley bills were taken up by a committee of which the former Senator from Iowa was a member. If there was any man who ever understood the woolen schedule, it was the late Senator from Iowa, Mr. Allison, and while there was an "Iowa idea" in regard to the Tariff, and there were certain people in Iowa who did not agree with the former Senator from Iowa, I never classed the present Senator from Iowa in that category.

Mr. DOLLIVER. Mr. President, if my honored friend will permit me, I got into trouble here once by commenting upon the views and opinions of a man who had passed out of the noise of our controversies, but if I never in this world have any other sin to answer for than the sin of ignoring the judgment and opinions of my former colleague in this House, I shall stand acquitted on the last day. I shall not discuss his views, but I undertake to say that in the last twenty years, while he was compelled by the very situation in which he was placed to co-operate in the preparation of these Tariff schedules, his opinion was that we had managed in some way to get the duties on woolen cloths on a scale entirely too high for the welfare of the Protective-Tariff system.

Mr. ALDRICH. Mr. President, I will put my information on that subject against that of the Senator from Iowa. I was associated with the late Senator Allison for twenty-seven years as a member of the Finance Committee of this

body. I was closely associated with him in the preparation of every Tariff bill which was ever reported to the Senate during that time, and no political exigency of the hour ever caused him to change his opinion upon this question.

#### *Criticise the Woolen Schedule.*

Mr. DOLLIVER. Mr. President, even if it were true, as I shall undertake to dispute on a subsequent occasion, that Senator Allison was heartily in favor of these high rates on woolen goods, I would not regard that as binding either upon my conscience or upon my judgment. I propose here, without asperity either in heart or in speech, to state my own views and my own convictions in respect to this matter. I shall undertake when the woolen schedule is properly before us not only to criticise it but to offer the Senate an opportunity to correct what I regard as damaging inequalities that have grown into it.

Nor is it necessary to quote what happened in 1897 or in 1890. My honored friend could have gone further. The fabric of the Protection of woolen merchandise was built long before 1890. I am told that it appeared here in 1861; it is certain that the exact framework of our present schedules applicable to woolen cloths appeared in 1867. So far as I can find out, although I am not an acute student of the hidden things of history, a meeting was held in the Senate between the shepherds and the woolen manufacturers, and, the shepherds being extremely anxious for substantial rates, it was after a while agreed between them that each should take what he wanted; but the public was not present in the conference, so far as the record discloses. I propose in this session of the Senate—I may fail; I do not know how that will be—but I propose to reopen that conference and introduce into it an element which was not present when the original fabric of these schedules was devised.

#### *Fighting for Better Protection.*

Mr. WARREN. I did not exactly catch all that the Senator said. In connection with what Tariff and in what year was the meeting between the shepherds and the woolen manufacturers to which he refers?

Mr. DOLLIVER. I think it was in 1867.  
Mr. WARREN. I have only a word to

say. While it is evident that that was before my day in the Senate, it was not before my day in the sheep business or in the wool business, and it was not before my day of meeting with other shepherds. If there was an agreement of that kind, I never heard of it; and I know I was down here fighting for better Protection for the woolgrowers, and that we were not satisfied with what we got.

Mr. DOLLIVER. I may have been deceived by a myth and a tradition, but if I have, it has deceived a good many other people. I will say to my friend from Wyoming that I am not here complaining about the duties on wool. I know that, while we have not succeeded in producing all the wool we need, we have succeeded in conferring a very substantial benefit upon a portion of the country somewhat unsuited to ordinary agriculture; and I have never grudged the mountain States the advantage which has come to them from our laws in respect to the Tariff upon wool.

#### *Simply Reiterating Democratic Claims.*

Mr. ALDRICH. I suppose the Senator from Iowa is aware that he is not the original investigator along these lines. The statement which he has just made has been made, iterated and reiterated over and over again in this Chamber and in the other Chamber, by every orator who has spoken against the duties on woolens or wool. It is simply reiterating to-day the Democratic claims which have been current in this country for a generation.

#### **In Calculating upon Future Republican Victories Look Well to the Southland.**

*From the Congressional Record of April 23, 1909.*

JOHN W. LANGLEY, of Kentucky. Mr. Chairman, I am a thorough believer in the American doctrine of Protection to American industries and American labor. I believe in a Tariff for Protection, with incidental revenue, rather than a Tariff for revenue with incidental Protection. If this declaration places me in the class of the "standpatters," then I have no objection to the designation, for I do "stand pat" upon that proposition. So firmly convinced am I that this policy of Protection is the correct one, and that without it our country could not enjoy

that degree of prosperity that its resources entitle it to enjoy, that I am ready to cast my vote for reasonable Protection to any industry in this country, whether it exists in my district or not. And herein lies, I think, the main difference between genuine Republicans and that class of Democrats who are not unalterably opposed to the application of the principle of Protection to any industry. We believe in Protection to American industries, while they seem willing to vote against Protection except when it applies to industries in their own particular locality. In view of the various declarations of the Republican party on this subject, I can not understand how any one can claim to be a Republican unless he favors the principle of Protection, independent of the mere question of raising revenue. It may be that the Tariff schedules can be so adjusted as to give adequate Protection to every industry and at the same time raise approximately enough revenue for government purposes and no more.

#### *Protection First; Revenue a Secondary Consideration.*

But I for one would not abandon the policy of Protection merely because there might be too much or too little revenue raised by proper Protective duties. If the proper enforcement of that policy resulted in raising too much revenue, I would have the surplus used for needed public improvements, such as the building of turnpike roads and the more rapid development of our waterways. If it did not raise enough revenue, I should favor the raising of the balance by increasing the tax on beer and whisky, and by taxing incomes, and in such other ways as would place the burden of government expenses upon those who are able to bear it rather than upon those who are not able to bear it.

So much has been said in this debate by gentlemen on the other side of the Chamber about this question, and they have taken so many conflicting positions on the question, that it is difficult to tell whether Democracy stands for Protection or Free-Trade, or a revenue Tariff, regardless of whether such a Tariff affords Protection or not.

My friend from Louisiana [Mr. Ransdell], who has just taken his seat, and who, I think, is a typical representative of the Democracy of his section, evi-

dently believes in the principles of Protection—in spots at least. On the other hand, the gentleman from Mississippi [Mr. Sisson], who is a good Democrat, and who is certainly a good fellow, evidently takes the Free-Trade view of it.

#### *Republican Prospects in the South.*

It was the doctrine of Protection that made West Virginia as solidly Republican as is the Keystone State. It was the doctrine of Protection that has made Maryland a doubtful State. It was the same doctrine that brought Missouri and Kentucky into the Republican column and that has created the magnificent Republican armies in Tennessee and North Carolina, which, at no distant day, will lead them also into the Republican column.

I beg my Republican brethren of the North to consider this phase of the question, which, in my judgment, it is not only politic to do but their duty to do, in dealing with the industries of the South—not the “new South,” as some gentlemen have termed it, but the “old South” emerging from the prejudices and passions engendered by the war and the questions preceding it and getting back to her old status again. Let us help her onward along the highway of progress, and even if some of her Representatives do protest against it, let us treat them in that spirit which found expression in the beautiful words of the Master, “Father, forgive them, for they know not what they do.”

My Republican brethren of the North, let me give you this parting admonition: In calculating upon future Republican victories look well to the Southland. I predict that the time will yet come when you will take off your hats to “old Kentucky” or to some other good Republican southern State for saving your national ticket from defeat. [Loud applause on the Republican side.]

#### **The South Will Soon Be as Insistent on a Tariff as New England Once Was.**

*From the Congressional Record of April 27, 1909.*

NATHAN B. SCOTT, of West Virginia. The Southland sees ahead of her nothing but prosperity under a Protective Tariff. In the past thirty years she has made

marvelous strides. She has developed more rapidly in manufactories than any other portion of our country. Right in the midst of the great raw material of the United States, notwithstanding the fact that the large majority of her statesmen have spent days and nights opposing Protection, she has developed, and will soon be the great manufacturing section of this country. Despite the doctrines of Free-Trade and Tariff for revenue only; despite the fact that in the past she has accepted the fads of other localities even after they were tested and abandoned elsewhere; despite the fact that she has been used to great disadvantage by other sections, she has prospered and developed and soon will be as insistent on a Tariff as New England once was. At no distant day you will find the people of the South sending to Congress Members who will be the strongest Protectionists this country has ever produced.

#### *Blaine's Definition of a Free-Trader and a Protectionist.*

You remember that Blaine, in his “Twenty Years in Congress,” referred to the fact that Webster was a Free-Trader until conditions changed in Massachusetts. As it became evident it was going to become a manufacturing State, he then changed to a strong Protectionist. On the other hand, Calhoun, believing that the South was going to be a manufacturing part of our country, was a strong Protectionist; but when he found the South had turned to agriculture and New England to manufacture, he also changed his position and became a Free-Trader. Blaine says:

The American Protectionist does not seek to evade the legitimate results of his theory. He starts with the proposition that whatever is manufactured at home gives work and wages to our own people, and that if the duty is even put so high as to prohibit the import of the foreign article, the competition of home producers will, according to the doctrine of Mr. Hamilton, rapidly reduce the price to the consumer.

Further on he says:

Free-Traders do not, and apparently dare not, face the plain truth—which is that the lowest priced fabric means the lowest priced labor. On this point Protectionists are more frank than their opponents; they realize that it constitutes, indeed, the most impregnable defense of their school. Free-Traders have at times attempted to deny the truth of the statement, but every impartial investigation thus far has conclusively proved that labor is better paid and the

average condition of the laboring man more comfortable in the United States than in any European country.

#### *Protection Works Alike Everywhere.*

Mr. President, I do not desire to discuss in detail the question of Protection, Free-Trade, or a Tariff for revenue only. My position is well known. Before this honorable body some years ago I gave in full the reasons for the faith I hold. It is sufficient to say that I am a Protectionist. I believe in the doctrine from the Protective standpoint. I only desire on this occasion to discuss this Tariff bill now before the Senate from the standpoint of its effect on the South in general and West Virginia in particular. In so doing, I desire to state that the Protection I would extend to West Virginia and her products I stand ready to extend, so far as my vote is concerned, to any other State and its products. I know that Protection works alike everywhere.

#### *For a Tariff That Will Protect Coal.*

Removing the duty on coal would render a half dozen of our Western States dependent on a foreign country for a necessity of life; would close down coal mines in many States; would depopulate many towns dependent upon this industry; would ruin numbers of American coal operators; would cut wages, and would be no benefit to the American consumer. I believe in charity which begins at home. So I stand for a Tariff that will protect the coal industry of West Virginia and of the entire United States. We will aid the manufacturer, because he gets a better quality of coal; we will give to thousands of workmen better wages; we will offer to thousands of children better opportunities for education and advancement; we will give to the merchant more customers, to the farmer more consumers, and to the railroads more tonnage.

#### *Vitally Interested in a Tariff on Lumber.*

The South is rich in timber, and West Virginia is not behind any of her sister States of this section in the production of this product. In the year 1905, 900,000 feet of timber were cut and sawed at a value of nearly \$14,000,000. From 15,000 to 20,000 wage-earners were employed and wages paid to the amount of over \$5,000,000. With such forests and products, with so many wage-earners, it

can readily be seen that West Virginia is vitally interested in the Tariff on lumber.

Yet the Tariff on lumber is cut from what it was in the Dingley bill. Why? Will it mean cheaper lumber and cheaper building? Will the Western States, which are crying for cheaper lumber, get it? These are questions which Senators may well ponder and may well study carefully before answering. I can tell them now that it will not.

#### *Business Interests Identical.*

The business interests of West Virginia are identical with the business interests of other States. These are anxious to go ahead. Factories must be in operation, the mills must be running full, the farmer planting or reaping his crops, in one State as in all. All these benefits would be ours now had it not been for the uncertainty regarding this Tariff bill. This is why I object to any revision. It is anticipation of cuts in duties that has upset our business conditions. The question of revision came up in 1905, and the demoralization of trade soon followed. It always does follow Tariff tinkering. After this measure becomes a law I fear trade conditions will be unsettled for many months. Everyone will be waiting to see the effect it will have on different commodities; how the reduction will affect steel, iron, and all the great industries I have mentioned, and until this is known we can not look for the prosperity that we otherwise would have had.

#### **The Apprehension of Free-Trade Caused the Panic of 1893.**

*From the Congressional Record of April 27, 1909.*

STEPHEN B. ELKINS, of West Virginia. I wish to correct the Senator from Oklahoma as to a matter of fact. In the first Cleveland administration it is true that there was substantial prosperity; we had a Republican Congress, and no hostile legislation could be enacted. In fact, in the way of passing any new legislation he was entirely powerless. In the second administration of Mr. Cleveland, when bonds were sold, there was a Democratic President and a Democratic Congress. The Democratic party was in full control of the Government and both Houses of Congress, with all sorts of

threats and rumors about Free-Trade and changes of policies. It was then the Wilson Free-Trade bill was passed.

### *Harrison Administration Was Not Bankrupt.*

The charge that the Harrison administration at its close was bankrupt is not sustained by the facts. At the close of the Harrison administration business began to suffer and languish because of the fact that this country had elected a Democratic President upon a Free-Trade platform or with Free-Trade tendencies, and the Congress chosen was Democratic, on the same platform. This filled the business world with alarm, and general stagnation set in before Harrison went out of office. This alarm began to empty the Treasury even before Cleveland got in. It continued at such a pace that bonds had to be sold by Mr. Cleveland in the beginning of his administration, and I am sorry to say that United States bonds which sold in the market for 113 and 114 were sold at 104 by Mr. Cleveland under a private contract with bankers to provide funds to pay the ordinary expenses of the Government and replenish the Treasury. In the Senate, because of a resolution introduced by myself, and passed, President Cleveland was prevented from selling another issue of \$200,000,000 of bonds at private sale, but sold them, after due advertisement, at public sale, and 113 was realized for those bonds, which a short time before sold under a private contract made by Mr. Cleveland for 104, a difference of nine points, or \$9, on every hundred dollars of bonds sold, the bankers making on the transaction about \$6,000,000 commission. This was a great loss to the Government, and one of the great mistakes of the Cleveland administration.

### *When the Trouble in the Business World Began.*

I make this statement in order that the matter may be placed in history and before the country in a way that is right and absolutely true. The Harrison administration was prosperous and successful up to and until the time when it was known that Cleveland and a Democratic Congress were elected; then the trouble in the business world began and continued. Harrison never sold a bond, and no Republican President had ever sold a bond, to meet the ordinary expenses of

the Government. Mr. Buchanan was the only Democratic President before Mr. Cleveland, a lapse of forty years. I have not language at my command to describe as strongly as he did the disasters, the misfortune, and the ruin that came upon the country under his administration. The great panic of 1857 occurred in the beginning of his administration and lasted until our great war.

### **Alarm Began When the Polls Closed in November, 1892.**

*From the Congressional Record of April 27, 1909.*

PORTER J. McCUMBER, of North Dakota. The crisis of 1907 came upon us when every mill was working at its full capacity. The crisis of 1893 and up until 1897, because it was a continuous crisis, was when one-third of our mills were closed and the other two-thirds were producing only about one-half of their annual output.

The Senator says that this condition was a world-wide condition, and he says that it did not happen until 1894, after the Wilson-Gorman Tariff law. Mr. President, when the polls were closed in November, 1892, the American people knew what they were coming to, and we immediately began to feel the results of that condition. We never got out of that condition until we elected a Republican Congress and the policy of the Nation was outlined in the period which preceded that election; and the moment that we adopted the new Tariff bill we saw a prosperity, as I have said, that the whole world had never seen before.

Now, was the condition from 1893 to 1897 world-wide? Mr. President, Great Britain was more prosperous during those four years than she had been for the four years preceding that time. Why? Simply because in 1892, the last year of Harrison's administration, the balance of trade between Great Britain and the United States was \$343,000,000 in our favor. The very next year after the Wilson-Gorman bill that was reversed and the balance in her favor was \$126,000,000 in her dealings with the United States, or a difference of about \$500,000,000. That \$500,000,000 in the trade of Great Britain with this country in her favor made her prosperous. That \$500,000,000, a half a billion dollars, against us, made our la-



borers paupers. That was not a world-wide condition by any means.

### ***Superior Skill and Intelligence Will Not Suffice.***

Now, Mr. President, I think the Senator must in all candor yield his proposition that the superior earning capacity of the American laborer depends entirely upon his superior skill and intelligence, and, I may add, to be perfectly candid with the Senator, as he expressed it, the superior opportunities in this country. There were the same mills, there were the same undeveloped resources in this country from 1892 to 1896 that there have been since that time, and yet, notwithstanding his superior intellect, if I may agree with the Senator, and his superior workmanship, the American laborer was a vagabond on the face of the earth.

Mr. President, I hope the Senator will not insist that we can make the American laborer well to do unless we give him the opportunity to develop those resources of the country, which opportunity we have given him in the last few years.

### ***How the Farmers Fared in Democratic Tariff Times.***

I can call the Senator's attention to another fact in my own part of the country. I can remember when upon our farms in 1893 oats were sold for 10 cents a bushel, delivered in the elevators or on the cars. The average price of our wheat was from 35 cents to 60 cents a bushel out on the farms. Our corn was worth from 25 cents to 30 cents a bushel. We did not raise, on the average, any more during those four years than we have raised upon the average during the last eleven years, and yet we have almost doubled the value of every one of those products. It is not due entirely to the question of foreign demand, because when I look over the statistics I find that from 1893 to 1896 the average consumption per capita of the American people of wheat was less than 4 bushels, and I find that in the last ten years the average has been about 6 bushels, or almost twice as much. That has had very much to do with the price of our products since that time. So I can take up every other farm article that has been produced in the United States.

The whole question is a question between prosperity and stagnation. A low Tariff, a Tariff that is not a sufficient

Protection, gives us stagnation. The other gives us a reasonable degree of prosperity. That is the only distinction there is between Democratic and Republican policies.

### **Opposed to Duties and Protection in Spots.**

*From the Congressional Record of April 29, 1909.*

JACOB H. GALLINGER, of New Hampshire. I want to say, in response to a suggestion of the Senator from North Dakota [Mr. McCumber], that when he says that a duty on lumber is going to destroy our forests and that free lumber is going to preserve them, he puts himself in direct antagonism to the views of Mr. Pinchot, of the forester of my own State, and of the forestry experts throughout the United States.

Mr. McCUMBER. And in direct harmony with many other experts.

Mr. GALLINGER. And then, again, I want to suggest that I think the fact that they can raise a crop of wheat or a crop of barley every year in North Dakota is no reason why it should be protected as against lumber, which can not be produced every year. I think we ought to protect the industry that has got to struggle through a hundred years to produce a tree.

Mr. ELKINS. The Senator from New Hampshire has answered the Senator from North Dakota very well and properly. The contention of the Senator from North Dakota is that because the lumber industry, although valuable, one of the leading industries of the United States, and especially of the South must disappear, in the nature of things, probably in one hundred years or two hundred years and that is dependent on whether we plant or replant and restore our forests—that because of its temporary character and because of its infirmity in this regard it must not be taxed, but must be free. The money which is invested in timber lands and the lumber industry is just as sacred as the money which is invested in your farm and is entitled to as much consideration. Because you probably exhaust one before the other is no reason why it should be treated differently, unjustly, and unfairly. Because the forests may be exhausted is no argument why the great lumber industry of the country should not be treated as

fairly as the products of other States. Let me say to the Senator, following the experience of other States—New York, Ohio, and others I might name—some day the soil of his State will be exhausted and not produce wheat and barley. Is this a good reason why wheat and barley should not be treated as liberally as other products? In time everything will fail, and therefore we should not take care of the present and provide for the future?

#### *Tariff or No Tariff.*

Mr. McCUMBER. Does the Senator believe that with the rate of consumption, say, 5 per cent yearly of our lumber, the price is going down? If we are exhausting it at that rate, will not the price be bound to go up, Tariff or no Tariff?

Mr. ELKINS. Mr. President, suppose the price does go up. Does not the price of the land in his State go up every year, and will not these same lands be exhausted and fail to produce?

Mr. GALLINGER. And of wheat.

Mr. ELKINS. And wheat is going up, and going up because we are going to produce less wheat and not enough soon for our own supply. So, there is no argument in that. The argument is absurd, if the Senator will allow me to say it, that just because here is an industry which has \$600,000,000 invested in it and employs 600,000 people in the United States, which may pass away soon, or within fifty years or a hundred years, or is passing away, it must not have the benefit of Protection the same as other industries and products. And yet the Senator claims to be a Protectionist. Tried by his own rule, is he a sound Protectionist?

Mr. GALLINGER. It employs 800,000 people.

#### *Protection in Spots.*

Mr. ELKINS. Yes. That argument will not do. I am willing to extend to the Senator's State reasonable Protection upon every product which they produce; but why can not the Senator be as liberal toward industries of other sections and other States as he is to his own? The Senator wants this duty of 30 cents per bushel on wheat; he wants a duty of 30 cents on barley. They are the highest kind of Protected industries in his State; yet he is unwilling to grant the same Protection to other States. I submit to him whether that is fair and just, and whether this is equalizing duties and

a fair revision of the Tariff. I am opposed to duties and Protection in spots. All American industries should be treated fairly. This can not be done by protecting some and putting others on the free list. There is enough money to be raised for the needs of the Government if the duties are laid and distributed justly to Protect every American industry needing Protection. We can never make a Tariff if we Protect the industries and products of some States and put the products of others on the free list.

#### *New England Flooded With Canadian Laborers.*

Mr. GALLINGER. Mr. President, if the Senator from West Virginia will permit me, I have some knowledge on this subject. Americans are going to British Columbia to take up farms. They have gotten rich in Iowa, Minnesota, and Nebraska because they took up land at \$1.25 an acre which is now worth from \$75 to \$100. But now they are selling it and going over to Canada, where they can buy virgin land for from \$8 to \$10 an acre. It is a good business proposition. Now, the Senator suggests that if labor is cheaper in Canada than in this country it is rather remarkable that Canadians do not come to this country to find work. New England is flooded with Canadian laborers in our forests, in our mills, in our brickyards, in all our industries, and they come there because they get better wages than they get in Canada. Immediately after they come across the line they demand American wages.

Mr. McCUMBER. For whom do they work when they come over from Canada?

Mr. GALLINGER. In our mills, in our forests, in our brickyards, and they have the benefit of our Tariff laws.

#### *Wilson Bill and Free Lumber.*

Mr. ELKINS. I want to cite the experience of West Virginia and sections of the country with which I am familiar when we had the Wilson bill and free lumber. I state it as a fact that free lumber under the Wilson bill closed 90 per cent of our mills and the grass grew in the roads leading up to them; and in the New York markets they took Canadian lumber to build grain elevators and supply the general market there that West Virginia before and under the Mc-

Kinley bill was furnishing. That is an actual fact.

There is another feature about this free-lumber proposition. Already alert American capitalists are buying timber lands in Mexico and getting ready to build railroads to bring lumber into the United States. They have bought lands for \$2 an acre, some for a dollar and less, and are waiting for lumber to be put on the free list. They have got their friends here now working for free lumber, and there are some timber owners from Canada, too, wanting and working for free lumber. Why? Because then they can carry on the lumber business profitably in Mexico and Canada, having cheap lands and low wages. These are the dangers that surround us, the breaking down of a great and leading industry of this country by the reduction of the duty on lumber or putting it on the free list.

#### *The Best Place to Have a Boil.*

Mr. SCOTT. I wanted to ask my colleague if the duty were taken off of lumber whether or not it would result in one farthing of reduction to the consumer? For my part, I do not believe it would ever reach the consumer at all. We had a great man once in this country, who said the Tariff question was a local question, and from the discussion here to-day and that which we shall undoubtedly have, it strikes me it is very local. It is a little like Artemus Ward, who, when asked where was the best place to have a boil, replied on one of his wife's relations. That is the way with Senators in this Chamber. They are willing to reduce the Tariff on everything that somebody else has, but they are not willing to reduce the Tariff on their own manufactures or on articles produced in their own States.

#### **Southern Democratic Senators Favor Protection for Lumber.**

*From the Congressional Record of April 30, 1909.*

F. M. SIMMONS, of North Carolina. The bill under consideration reduces the duty upon rough lumber—that is, sawed board—from \$2 to \$1 per thousand feet. The equivalent ad valorem rates are, respectively, about 1 per cent and 5½ per cent.

I am opposed to this reduction and in

favor of retaining the present duty upon lumber, because the present rate is upon a revenue basis, and because the proposed reduction will probably not reduce the price of lumber to the farmer and the home builder, or, if at all, only slightly and in a comparatively limited area, while it would work great hardship to the lumber industry and the sections of the country in which this industry is conducted, by enlarging the market zone of Canada for this product.

#### *Country Was Flooded With Lumber from Canada.*

Mr. HALE. Right in line with what the Senator is so well saying, does he not remember, as an actual fact, resulting from the provisions for free lumber in the Gorman-Wilson bill, that lumber from the Canadian eastern Provinces—New Brunswick and Nova Scotia—flooded not only the ports and market places in New England, but, extending farther south, into the ports of the Chesapeake and maybe lower than that, came in and took the place of the American product during the operation of that act?

I remember specifically the statement of the master of a coaster, a lumber schooner from Maine, that in the wharves of Boston, Chelsea, and the other ports where lumber was imported, he waited until twenty-odd Nova Scotia and New Brunswick schooners dumped their cargo. And the result—I do not know so well what it was in the South, but the Senator will remember that; he has been interested in this matter for years—with us was the complete prostration of the lumber industry for the benefit of the Canadian producer of that article.

#### *Wants the South to Have Its Share of Protection.*

Mr. SMITH, of Maryland. I want to say to the Senator from Indiana that, so far as I am concerned, I am in favor of a proper adjustment of the Tariff. I recognize the fact that we must have revenue; I recognize the fact that that revenue is to be obtained by a Tariff; I recognize the fact that on account of the Tariff there is incidental Protection; and, so far as I am concerned, I want the people that I represent and the people of the South generally to have their share of that incidental Protection.

Mr. ALDRICH. I said a large majority of the Senators upon this side of the aisle

are in favor of a duty upon lumber as a Protective duty. A considerable portion, I think a majority, on that side of the aisle are in favor of a duty on lumber as a revenue duty. Now let us agree that so far as this bill is concerned we shall waive the question of names. We are both for the same thing under different names.

#### *For Protection All Along the Line.*

And I have the courage to say I am a Protectionist. I am a Protectionist as much in Georgia as in New England; I am for Protection all along the line; and I am willing to call it Protection. I am not dodging behind a proposition of a revenue Tariff or anything else. I am for Protection, and whether it is 10 per cent or 20 per cent or 30 per cent or 40 per cent or 50 per cent, whatever it may be, I am for it.

Mr. HALE. Mr. President, is it not a fact, precisely in the line of reasoning the Senator is pursuing, that with our industries in lumber manufacturing in the East, in the South, and in the West, we have all that we can do to maintain ourselves against the present inroad of Canadian lumber? The importations into this country to-day under the present duties on lumber from Canada amount to nearly \$21,000,000, affording a revenue to the Government of nearly \$4,000,000 in duties. Here is an attempt to take away, as the Senator has so well said, the only protection that his industries and ours in the East and those on the Pacific coast have of the \$2 duty, leaving us entirely at the mercy of the Canadian lumbermen.

#### **Tribute to the Memory of Nelson Dingley.**

*From the Congressional Record of April 30, 1909.*

MARTIN N. JOHNSON, of North Dakota. But there is another test, much more important, much more severe; and right there is where public men fall, if they fall at all. Take, for instance, the pilot of a ship. He will pass the examination on the first two points easily. Here we are in a storm, in a gloom of midnight such as bewildered the Senator from Maryland [Mr. Rayner] at the opening of his speech yesterday. The pilot stands there at the wheel. His life as well as mine, if I am a passenger, is at stake. The lives of the passengers, the

safety of the crew are at stake. I have no fear of his honesty. There never was a pilot, I think, but what if steering a ship in case of danger would be honest.

Another thing is the question whether he is brave. Most of those men are brave. I do not thank the pilot for being honest and for being brave. I expect that as a matter of course.

But the pilot may fail in the third and the supreme test. Is he right? That is the supreme test. If the pilot is wrong and steers that vessel upon the rocks or into the surf and loses the cargo and ship, and I am hurt as a passenger, it is nothing to me that he was honest, it is nothing to me that he was brave; the fact that he was wrong is the one supreme test.

Now, it is just the same way in statesmanship. Few men like Dingley pass this last test of which I speak. There was a Christian statesman, if we ever had one in the history of our country. Let us revere his memory. It grated upon my ears to hear some Senator here say that in the legislation of the country he fooled the American people. I know he did not. I know he was honest and brave, and I believe that he was right.

#### *How to Carry Out the Pledge of Revision.*

This country is watching and waiting impatiently. Their business, their opportunity for making a living, largely depends upon our work. Do not let us send out statements from here unless we know that they are true. Let us not send out speeches to undermine the confidence the people ought to have, and that they do have, lest they be deprived of that greatest of all boons, confidence in their Government, love of their country, confidence in the men they have trusted again and again to come here and make our laws.

I heard Mr. Taft, the candidate of the Republican party, make a speech at Fargo during the same campaign, and he explained that, and he told us there, and he told us on the rostrum here, when he was inaugurated, that he thought this would mean in most instances a revision downward, but in some cases it might be upward, and either in a speech made in that same week, I either heard it or read it in a newspaper, he said we might have to revise upward in some instances, and that glassware and crockery might come under that head.

We adopted a platform that laid down

our rule, and it is our duty as brave men to carry out that rule on the floor of this House, if it requires us to slightly raise the Tariff in some few instances where the foreigner has taken away our market. That is the rule under which we are working, and we acquit ourselves entirely of the trust that is laid in our hands if we go back to our people and say that we have faithfully and conscientiously enacted into law the platform on which we were elected; and according to our convictions we did our duty.

### What the American Wage-Earner Gets Out of Protection.

*From the Congressional Record of May 3, 1909.*

WILLIAM ALDEN SMITH, of Michigan. Does the Senator from Texas admit that the American wage-earner is better paid and will continue to be better paid, and can live better and happier and more comfortably under the principle of Protection than under the principle he advocates?

Mr. BAILEY. I do not admit any such absurdity as that.

Mr. SMITH, of Michigan. The Senator has already admitted part of the absurdity, namely—

Mr. BAILEY. It is the part I did not admit which makes the absurdity.

Mr. SMITH, of Michigan. That wages are higher here. He has already admitted, I think, that the American wage-earner lives better than the foreign laborer. That is the second part of the absurdity. Now, if he does live better and does get a better wage, is it the height of absurdity to say that he is happier and more contented here? In fact, Mr. President, if the Senator from Texas will but linger around the ports of this country he will find millions of foreigners seeking this ideal wage and these ideal comforts, and he may linger long—

Mr. BAILEY. I can not yield for an oration.

Mr. SMITH, of Michigan. I thank the Senator from Texas. I did not know that my remarks had attained any such height in his judgment. But, Mr. President, I will not interrupt the Senator further than to say that he may linger long around the ports of every other country in the world and he will not have the satisfaction of seeing Americans, ac-

customed to our mode of living, going to those countries to live.

### Many Ardent, Strong Protectionists Throughout the Southern States.

*From the Congressional Record of May 3, 1909.*

PORTER J. McCUMBER, of North Dakota. Mr. President, I have been much impressed in many respects in the matter of the revision of these Tariffs. I have never had any experience heretofore in working along that line, but what has impressed me most and has been brought home to me most vividly is the fact that there are so many ardent, strong, forceful Protectionists throughout the entire Southern States, when I had always believed that they were either Free-Traders or advocates of a Tariff for revenue. I find in fact a stronger spirit for Protection pervading the Southern States than I find in my own strong Republican State of North Dakota.

When I apply the policy of Protection I try to apply it to all the American people, because we are all producers and we are all consumers, and a policy of Protection which is properly levied would help the producer on the one side who becomes the consumer upon the other side. I know that the doctrine of Democracy has been opposed to that. I know that your people have declared again and again that the Protective policy always made some men rich, who are always the other people, and always made your own people poor. I have not found that to be the case. I have never found a policy which helped one class of the American people that did not help the other classes of the American people.

We may divide this country practically into two great classes—those whom we will call the agricultural class, who produce things to eat, and the manufacturing class, who produce things to wear and to shelter us. The \$40,000,000,000, or thereabouts, of American internal commerce is the trade of one thing for another, the trading of things to eat for things to wear and shelter.

### *A Policy That Will Help Both Sides.*

The value of any product, as every thinking man must know, is fixed by the demand in the field of consumption and not the value in the field of production.

If you have nothing but destitution and poverty at the place of consumption, you will not secure very high prices for your goods at the place of production. If the farmers of this country raise 600,000,000 bushels of wheat for a home consumption that will take up every bushel of it they are far better off than they would be if they had to force their product into foreign countries against the production of the entire world, and I hope the time is not far distant, Mr. President, when we will not export one bushel of grain or flour. I believe that time is very near at hand. If the farmer's crop fails or if he gets poor prices for his crop, he is just that much crippled in buying the manufacturer's products and the manufacturer suffers accordingly. If, on the other hand, by the adoption of a policy which takes away Protection to our manufacturing industries, we close our mills and factories and pauperize half of our population, the natural consumers of the farmer's products, the farmer will suffer just to the extent of the injury that is inflicted upon the manufacturing class.

I want a policy that will help both sides. I deny that any political policy can make one-half of the American people rich and the other half poor at the same time. Why, my friend, returning to your hog proposition, that Democratic fallacy is no more of a fallacy than the declaration that the farmer can feed his grown pig in such a manner that he will grow fat on one side and lean on the other side at the same time. [Laughter.] The one is a physical, the other an industrial impossibility. Any just policy that will hold for higher prices to the American people throughout is a policy that we are bound to follow.

#### *Consumers Exceed in Number the Producers.*

What are the principles that constitute the foundation of our Republican doctrine of Protection? We seem to have forgotten them on both sides of this Chamber. Those principles have been reiterated again and again in almost every political campaign wherein that question has been raised. What are they? They are, first, the development of an industry that is capable of development. There is the first proposition. If an industry is incapable of development, if it is incapable of expansion, then there is no reason in the world for having a Protective duty ap-

plied to that particular industry. I may go further and agree with my friend from South Carolina that if an industry, having been Protected during a number of years, has reached the limit of expansion and, by reason of the exhaustion of the raw material, is bound to reach a state of extinction in a very short time, then the principle of Protection has no further application whatever to that particular industry.

The second principle is that by expansion and development there will ultimately follow decreased cost to the consumer. We can not allow ourselves to forget that the consumers of any one article must necessarily vastly exceed in number the producers of such article, and the system which will continually compel the greater number to pay a tribute to the few without a corresponding benefit must be inequitable and unjust. In other words, the compensation to the consumer for the payment of an extra price to the producer to-day is that he shall be called upon to pay a less price than he otherwise would to-morrow.

#### *How Long Must a Product Last to Be Entitled to Protection?*

Mr. ELKINS. I want to submit to the Senator this proposition: Just because the timber industry is an expiring one, a disappearing one, and can not last forever—although I do not know what is in his mind as to the length of time, whether a hundred or two hundred years—the investor in timber lands and the lumber industry is not to enjoy any Protection. I think the case is parallel with the soil giving out, and that barley and wheat will not last, and therefore every product in his State, if you please, will pass away, and therefore should not be Protected. In the wreck of matter and the crash of worlds this earth and even the stars will give way and become dust, and therefore we must not impose a duty upon anything not permanent. Nothing is permanent; nothing will endure forever. So your rule would apply to any article produced, because all articles or products must pass away. How long must a product last to be entitled to Protection? What number of years—fifty years, a hundred years, or two hundred years? If it is going out in five years, then it must not be Protected and be open, free to the world and foreign labor, and there must be no duty on it—no Protection. What

is to become of the capitalists who have invested in timber lands and sawmills and the people who depend on the lumber industry? Are they not to be considered in taking account of American industries? Take the capitalist who invests his money and is ready to carry on the business. Must he be stricken down because timber will some day give out and is a disappearing industry?

Mr. McCUMBER. I can see a little bit of difference; possibly it is very slight to the Senator from West Virginia, but I can see a considerable difference between thirty years from to-day and that future time when the sun shall burn itself to ashes. I can see a reason for applying a principle to conditions as they exist to-day and to conditions as they are bound to exist within a very few years, and applying it to some far-off period beyond our imagination.

#### *Does Not See Where the Gain Is to Be.*

Mr. GALLINGER. Mr. President, if the Senator will permit me, he has said that we will import 20 per cent from Canada. If that be so, it must put out of commission 20 per cent of the 800,000 men who are now working in the lumber industry. It seems to me that is a mathematical conclusion that the Senator's oratory can not get rid of. If that be so, then I do not see where the gain is to be.

Then as to the reduced price of lumber; if the Senator will take the statement of Mr. Charlton, a very eminent Canadian, he will see that Mr. Charlton says that they do not expect that there will be any reduction in the price of lumber. He says that they want Free-Trade to get their product into the United States and get the American price for it. So our people will not get any benefit from that, but we will lose labor for one-fifth of the men who are now engaged in our lumber industry, and Canada, that has only 14 or 15 per cent as much timber as we have, will not allow us to take all her timber before she puts an embargo upon it.

I do not see how the Senator's scheme is going to greatly extend the time when the timber product of the United States is going to be destroyed.

I do not personally take any stock in either the twenty or thirty year period that the Senator fixes as a time when we are going to see the last tree felled in

the United States. It is not going to happen, whether we have free lumber or not.

Mr. McCUMBER. I will tell you why it will not happen, if it does not happen. It will only be checked by such exorbitant prices for lumber as will compel the American people to have a substitute for lumber for building material and for the other purposes for which our lumber is to be used. That is the only thing in the world I can conceive of that will prevent the lumber prices from going to the skies, and the consequent exhaustion of our lumber districts as the prices go up. There is a limit beyond which we can not go even in the prices that we put upon lumber, and that is the limit of the ability of the people to purchase lumber.

#### **All Sectional Lines in Legislation Should Be Blotted Out.**

*From the Congressional Record of May 4,  
1909.*

WILLIAM O. BRADLEY, of Kentucky. As I understand, in order to carry out the doctrine of Protection such a duty should be levied on foreign products, raw and manufactured, which compete with ours as will maintain the wages of American laborers against the cheap, and in some instances degraded, labor of foreign countries and afford a reasonable profit to the American producer or manufacturer. That such a policy in the end cheapens the manufactured article by reason of increased manufacture, increased consumption, improved methods and machinery, and increased home competition has been too often demonstrated to require at this late day any argument.

I am a Protectionist in every sense of the word, and would give its benefits to every interest which demands it in order that it may live.

I plead to-day for the blotting out of all lines in legislation, for the harmonizing of all sections, for the cementing together by the ties of commercial interest, brotherly love, and affection, all the people.

Our great and good President is patriotically engaged in an honest effort to recognize and do equal justice to every section of the Union. His example should be emulated and followed by all.

The South needs Protection on her lumber, coal, iron, rosin, turpentine, fluor spar, hemp, tobacco, and other interests. If we desire to be just, let us Protect all

these interests. And if we desire to build up the Republican party in the South, let us show that we are willing to build up the interests of that section.

Let the North, the South, the East, the West each and all be Protected as they are entitled to be Protected, and the Nation which is now the grandest on earth will move forward with increased energy, attaining a degree of prosperity and power of which we have not even dreamed.

Mr. President, one more word and I am through. Give to Kentucky fair Protection of her interests and I guarantee you it will be but a short time until Kentucky is as certainly a Republican State as the great State of Massachusetts.

### **Vast Importance of the Wool and Woolen Schedule.**

*From the Congressional Record, of May 4 and 5, 1909.*

NELSON W. ALDRICH, of Rhode Island. Mr. President, I simply want to put into the Record the statement of two Senators, made in 1897, as to the character of the woolen schedule in the act of 1897. I want to do it for the purpose of showing not anything that is disagreeable either to the memory of the Senator from Arkansas or the memory of the Senator from Missouri, or to the Senator from Iowa; but I know so well that Senators are liable to be misled in matters of this kind, to make exaggerated statements, and to misrepresent the facts. They are liable to be misled by the importers of these articles into this country—the men whose interest it is to break down this and every other schedule in the bill.

I expect to show, when I take the floor, that there are no increases in the cotton schedule of the bill at all. It is merely a substitution of rates which are absolutely equivalent—the specific rates for the ad valorem of the existing law. The ad valorem of the existing law are upon the average 38 per cent. In the bill they are not increased at all, and I will prove that to the satisfaction of the Senate. I will show that the articles which have been produced here are furnished by importers who have destroyed the cotton schedules through decisions in the past—decisions of the Board of Appraisers and of the courts—by which they have reduced the duties upon certain articles imposed by

the Dingley act at 60 per cent until they are 4, 5, and 6 per cent. Those are the men who have produced these samples.

Mr. DOLLIVER. Mr. President, I do not intend to conceal from the Senate those who have been kind enough to help me in my investigations.

Mr. ALDRICH. I did not suppose the Senator would.

Mr. DOLLIVER. I have consulted with great merchants East and West. I have consulted with cotton manufacturers and with men engaged both in the foreign and in the domestic trade in cotton. The sample which I showed a moment ago was given to me by as bright a merchant as there is in America, who is none the less entitled to my respect because he marched at the head of a column 19,000 strong through the streets of New York the day before the election in support of the candidacy of President Taft in that great campaign.

Mr. ALDRICH. I have no doubt that he is most respectable. But the point I was making is that these good men, these respectable men, have interests in this matter which are entirely antagonistic to the great interests of the people of this country. I do not blame them for appearing here or anywhere else in defense of her interests and in securing for themselves any support which they can get.

### *Vital and Fundamental Questions.*

The contention of the Senator from Iowa in regard to the wool and woolen schedule of the bill raises questions that are vital and fundamental. If it shall be shown that the woolgrowers of the United States and the woolen manufacturers of the United States in 1867 entered into a conspiracy to deceive and to defraud the people of this country by the suggestion of a formula to be used for Tariff legislation, then the Protective policy should be abandoned and the party which supports it should be disbanded. If the men who have had charge of the various Tariff bills and are responsible for their preparation from 1867 down to the present time were parties to that deceit and fraud, then they deserve all the execration that can be heaped upon them here or elsewhere.

### *Great Men Who Stood for Protection.*

Now, who were those men? In this respect it was not possible that any of those men should have been ignorant of the



provisions of the woolen schedule of the various acts which have been adopted from 1867 down to the present time. Every one of the difficulties that has been alluded to in the course of this debate was brought before the country and before the Senate in every discussion which has taken place within forty-two years. So I say if those men have been guilty of deceit and fraud in this particular schedule they should be held up to the execration of the American people. Who were they? They were John Sherman, Justin S. Morrill, Benjamin Harrison, William McKinley, Nelson Dingley, and Mr. Payne. Those men have heretofore stood well, I think, before the American people. They certainly have had the confidence of the people belonging to the party I represent.

Now, if it is possible to show that this combination of woolen manufacturers and of woolgrowers that the Senator from Iowa contemptuously alludes to as the shepherds and weavers of this country have been instrumental in imposing upon the people of this country in the wool and woolen schedules, it is time that the people of this country knew it.

#### *An Attack upon the Very Citadel of Protection.*

There is no Senator sitting upon this side of the Chamber, there is no person who is acquainted with the Tariffs of this or of any other country, who does not know that an assault upon the wool and woolen schedule of this bill is an attack upon the very citadel of Protection and the lines of defense for American industries and American labor. If the Senate destroys the relations in that schedule or destroys the schedule itself, you demoralize the whole Protective system; and you destroy every line of defense which the people of this country have who believe in the Protective policy.

I myself make a distinction—perhaps the Senator from Texas does not—between the men who represent in this country American interests and who are trying to develop its industries and its prosperity and those men whose interest it is, whatever else they may be, to build up the industries of their own countries and give employment to the labor of their own countries as contradistinguished from ours. If I am called upon to take the word of any man upon this subject, I prefer to take the word

of an American citizen who is patriotic and truthful rather than the word of any importer, however intelligent he may be.

I desire to make this statement, that so far as the majority members of the Committee on Finance are concerned they have heard everybody, so far as time would permit, who had an interest in this question upon one side or the other, and therefore I can recognize an importer's brief when I see it.

#### *The Crucial Schedule of the Bill.*

. . . Again, I say to the Senator, that this wool and woolen schedule is the crucial schedule in this bill. That has been known to be a fact by the Senator from Texas and by other Democrats. The Senator understands very well that, if by insidious or any other means, he can induce the Senate to break down this schedule, that is the end of Protection, for the present anyway, in this country. I will say further to the Senator from Texas, that every attempt which is made to break down the provisions of this schedule and to discredit it is hailed with joy by the woolen manufacturers of Bradford and their employees and by the woolen manufacturers of every country in the world who are trying to compete for this, the greatest market not only now existing, but which ever existed. There is not a hamlet in the world where woolen manufacturing is carried on whose inhabitants will not read with joy any statement which looks to the abandonment of the Protection which has been accorded to the woolen manufacturers and to the woolgrowers of the United States. There is not a ranch in Australia or in any other country that is growing wool where the shepherds who are engaged in that work are not congratulating themselves that at last the day for them has arrived. There is not in this country a manufacturing establishment employing men, there is not a farmer raising sheep who would not hear the tidings that this woolen schedule was to be destroyed and that their Protection was to vanish without feelings of sorrow and depression.

#### *Trying to Destroy the Schedule.*

Mr. BAILEY. Mr. President, the Senator from Rhode Island is entirely accurate in saying that the woolen schedule is the keystone of the Protection arch. I simply want to add that no schedule in

the Tariff bill better exemplifies the fraud and injustice of the whole system than does this same woolen schedule. I am quite willing to judge the cause of Protection by the woolen schedule.

Mr. ALDRICH. I am quite aware of the opinion of the Senator from Texas upon that subject. I think he has expressed it on numerous occasions, and with great distinctness and with great eloquence. There is no question whatever that there are gentlemen in the United States belonging to his political party—not all of them, for there are a great many men in Texas who do not agree with my friend who in part represents that State, I think the Senator from Texas realizes that, but there are men all over the country—who, realizing as they do that that schedule is the key to the arch, are doing their utmost and using every means at their command to destroy that schedule, and they have the sympathy of the men whose interest it is to have it destroyed.

That argument upon this question does not appeal to me; the suggestions of the Senator from Texas do not appeal to me, and I do not think they appeal to many other Republicans.

*The End of Protection for the Time Being.*

Mr. MONEY. I do not want to interrupt the Senator's remarks, but I want to understand him. Did I understand the Senator from Rhode Island to say only a few minutes ago that if this woolen schedule were destroyed or attacked, it would be the overthrow of Protection in this country?

Mr. ALDRICH. I said if it were destroyed. Of course it has been attacked. There is no schedule in this bill which has been attacked more vehemently and more persistently than that schedule; but I do not think the attacks so far have injured the Protective principle of the schedule.

Mr. MONEY. I want to understand the Senator. Does he think, if the schedule is successfully attacked and destroyed, that will be the end of Protection in this country?

Mr. ALDRICH. Yes; for the time being.

Mr. MONEY. For the time being?

Mr. ALDRICH. Yes, sir; until the people of the United States shall do what

they did in 1896—come to their senses and put the seal of disapproval upon attempts of that kind.

Mr. MONEY. Mr. President, I dislike very much to disagree with the Senator on that question. I can not believe that the supporters of this Protection policy, which is claiming to be the peculiar patron saint of husbandry, of commerce, of the manufacturing interests, and of every other industry, would lose heart and fall in Protecting all the other great interests of the country because the woolen schedule should be attacked and destroyed. What would become of the cotton schedule, the steel schedule, the iron schedule, and the other schedules?

Mr. ALDRICH. What I meant to say was that if this schedule should be destroyed, the same spirit and the same men would go through all the Tariff schedules and destroy them all seriatim. That is what I meant to say.

Mr. MONEY: I will submit to the Senator if he thinks that the same opposition will be developed to every part of the schedule that there is to the woolen schedule?

Mr. ALDRICH. I am not talking about this particular situation at all. I realize, as the Senator himself does, the truth of the old fable about the nose of the camel. I am not talking about the present situation at all, I repeat. I am only calling to the attention of the people of this country, who elected a Republican President upon a Protective platform, that the destruction of this schedule means a violation of their principles and of their promises. That is what I am trying to suggest.

*When We Had a "Lucid Interval."*

Mr. MONEY. As I understand the Senator from Rhode Island, he said Protection would fail for the time being. That means now—not in the future, but now. The Senator says that the country would come to its senses. I do not feel sanguine about this country coming to its senses. I have been waiting here for thirty years to see one lucid interval, and I have not yet found it on this question.

Mr. ALDRICH. We had a "lucid interval," in the opinion of the Senator from Mississippi, in 1894. We then had free wool and we had very low duties on almost everything. We had, I suppose,

the ideas of the Senator to some extent carried into that law, and I take it for granted that that was the time my friend from Mississippi refers to. You have never controlled the country since, and unless we are recreant to the trust which is imposed upon us, you will not have the country again. I make this prophecy that within twenty years the South, through representatives who are now here or through representatives who will then be here, will join with us in guarding and Protecting the interests of the United States as against all comers.

Mr. MONEY. I do not want to disturb the Senator, but I think perhaps that when he indulges in that prophecy he has an idea as to whom he can buy up in this little business.

### *"Buying Up" People.*

Mr. ALDRICH. I do not know what the Senator means by "buying up." Does the Senator mean that there are Senators sitting on that side of the Chamber who at this time and in the future will vote for the interests of the people they represent, or what they believe to be the interests of the people they represent here, and does the Senator mean that is bribery?

Mr. MONEY. Oh, no; I do not mean anything of that sort; but I do mean that some men in this Senate on both sides will vote for a bad bill if they have in it what they want for their section. Even the Senator from Rhode Island will not deny that. I do not reflect upon men's motives in this Chamber—not at all.

Mr. ALDRICH. The Senator is talking about—

Mr. MONEY. I do not desire to take up too much of the Senator's time, but so far as holding the country under Protection is concerned, it does not mean anything particularly. Nothing is so unexpected as that which happens in politics. England was very much more Protective than we are to-day, and it took twenty years from the time John Erskine began the fight on the hustings until Robert Peel put a quietus on Protection. It was the hardest economic fight ever waged in any country in the world. Protection was better entrenched and better fortified there than is the Protective system in America, and it crumbled to pieces at last because the people became instructed.

### *An Overwhelming Majority in Favor of Protection.*

Mr. ALDRICH. Mr. President, it is my confident belief that a very large majority of the people of this country, I may say an overwhelming majority of the people of this country, are in favor of the Protective principle. I do not care by what name you call it. I mean the principle of taking care of your own industries and of your own interests as against those of other countries. I think a great majority of the people of this country are in favor of that. You may call it one thing in one section and another thing in another section; but we are all together upon that question. That is the fundamental theory of Protection.

What I understand to be Protection is the framing of legislation in this country so that it will aid and support American interests and American labor and American industries as against those of every other country. That is all there is of it. I do not care for names at all; I do not care what you call it. The Senator from Texas, I know, has old-fashioned notions as to what the Democratic party desires and proposes, but he must realize the fact as well as I, that in this twentieth century the world is not governed in that way. Take Great Britain. Does any Senator on this floor believe that if they have a change in the government of Great Britain and the Conservative party comes into power, they will not adopt some kind of a Protective policy? Undoubtedly they will. Take the legislation of continental countries. Every day there are more and more looking out for their own interests by every possible process; they are trying by every scheme that ingenuity can devise to keep American goods out of their borders and to take care of their own people. Self-interest requires that we should do the same thing in this country, and I expect before many years that there will be a party that will be so comprehensive and so all-embracing that there will be no chance for anybody else who has different views; who will consider, if you please, what effect it would have on Great Britain if this rate were raised or that rate were raised, or what effect it would have on Germany if this thing were done or that thing were done. We are here to legislate for the American people and for their interests, and, so far as I am concerned, I shall try to legislate in every

paragraph of this bill for the benefit of the people of every section of our country, and I intend to maintain that policy.

### **The Wool Schedule the Keystone of the Protective-Tariff System.**

*From the Congressional Record of May 5, 1909.*

THOMAS H. CARTER, of Montana. Mr. President, I fully agree with the Senator from Texas [Mr. Bailey] and the Senator from Rhode Island [Mr. Aldrich] in their joint and harmonious conclusion that the wool schedule is the keystone of the Protective-Tariff system. No one expected in the beginning that this session of Congress, or any considerable portion of it, would be consumed in debating the fundamental principles underlying Free-Trade and the Protective-Tariff policy. In considering the question suggested, the relation of the country to its neighbors, its geographical area, and its natural resources must all be taken into account in determining the wisdom or unwisdom of a given national policy. As applied to the United States, I have heretofore assumed that it had been for the time being conceded that the Protective policy was, in the judgment of an overwhelming majority, accepted as a wise policy for this country to continue. I concede at once that a country differently situated from this, densely populated, of small geographical area, and limited natural resources might well stand for the freest kind of Free-Trade.

A country which is chiefly devoted to improving the commercial value of articles received from one market, which it passes on in an improved condition to another market is, of course, interested in the admission of the raw materials, so called, without any considerable restraint; but in a country such as ours, of 3,000,000 square miles of territory, with States many of which are possessed of greater natural resources than the United Kingdom of Great Britain and Ireland—which, after all, is but a workshop and a clearing house—may have a policy tending to develop the natural resources and to promote its commercial as well as its political independence, for it is true that no country can be in the truest sense politically independent which is industrially and commercially dependent.

### **Actual Demonstration of the Wisdom of Protection.**

This country of ours has pursued the Protective-Tariff policy until we are prepared to furnish actual demonstration of its wisdom; and in no case is the wisdom of the policy more clearly exemplified or better sustained than in connection with the Protective-Tariff policy as applied to wool and woollens.

Mr. President, there are two purposes underlying the encouragement of any industry. First, and of primary importance, is the need for the production of the necessities of life within the limits of the realm; second, and of less relative importance, the production of the comforts and the luxuries of life.

I assert as a fact which no man will contradict that the country which can not raise within its own borders an adequate supply of bread and meat and cotton and wool to feed and to clothe the people is a dependent country, whereas that country which can produce its own bread and meat and clothing in ample abundance is capable of resisting any measure of outside pressure for an indefinite period of time.

After the Tariff bill, so often referred to here this morning, was passed in 1867, the woolen industry of the country began to develop. It developed steadily until 1883. Adverse Tariff legislation in that year suddenly checked the increase and marked the beginning of a diminishing source of supply. In 1889, with the prospect of amendment of the law in the interest of the woolgrowers and, of course, of the local manufacturers, another increase began; so that from 160,000,000 pounds of wool produced here in 1867, we are now producing 311,000,000 of the 400,000,000 pounds necessary to clothe our people every year.

### **With Continued Protection There Will Be a Plentiful Supply of Wool.**

If the present rate of increase is continued for the next nine years, the people of the United States will be in the happy condition of growing upon their ranches and ranges a sufficient number of sheep to produce an adequate supply of wool to clothe every man, woman, and child within the jurisdiction of the United States. If, on the other hand, it is thought wise to discontinue the policy which has heretofore prevailed, we will

begin that rapid decrease which has ever marked adverse legislation on this subject.

The tariff of 1894 which has been referred to here furnishes an apt illustration of just what evil influences bad legislation can produce. Mr. President, in the State from which I come sheep were worth about \$3 per head when the shadow of the Wilson-Gorman Tariff bill appeared on the horizon. We lived to see the day in that State when less than 60 cents a head was realized for fat mutton sheep. Wool, which can not be produced under the conditions in this country for less than 16 cents a pound, was forced into the market at from 6 to 8 cents per pound. This loss could only eventuate in one result—the butchery of the flocks. They were driven to slaughter at any price, because they could not be kept at a loss. The supply of wool decreased with a rapidity very remarkable to note.

#### *When the Dingley Bill Was Passed.*

When, in 1897, "a lucid interval" overtook the country again and the Dingley bill was passed, we observed an immediate response in the increase of the wool-growing industry. From that time to this we have continued to mark with almost unvarying regularity the most remarkable increase that has been enjoyed by any industry connected with agriculture in this country from the first settlement to this blessed hour. Senators on the other side of the Chamber can not—and I am sure no Senator on this side of the Chamber will—desire to register a vote calculated to send us on the downward grade in this line of production.

But, Mr. President, objection is made to the woolen schedule; and that, let me say, is the equivalent of assailing the duty on wool, for I ask you what avail a duty of 11 cents a pound on unwashed wool would be if the wool must be sold in the foreign markets instead of to the home mills? It is this market our friends abroad desire; the opportunity to sell the goods in this country is what they seek. That would result in the sale of our wool in foreign markets, where, I submit, no one would insist upon an intelligent American being asked to engage in competition on the unequal terms. In the Argentine and in South Africa, according to figures furnished by the Consular Service, shepherds, or, as we call

them in common parlance, "sheep herders," are paid from \$3 to \$15 a month, and they are fed on the mutton cut out of the flock, in addition to a small contribution of a cereal of some sort. We, in turn, pay \$40 per month to the sheep herders of our country, and you can not keep a sheep herder with the flock unless you supply him with canned fruit and an up-to-date bill of fare such as you find in the average hotel of the country. It costs in the neighborhood of \$10 to \$15 a month to feed a sheep herder, notwithstanding he does his own cooking and keeps his own tent in order. Who doubts if the \$3 and the \$15 man is put in competition with the \$40 man in herding sheep that the \$40 man must either come down to the \$3 standard or go out of business?

#### *What Duty Would Be Adequate?*

Mr. BACON. The Senator is stating the extremes of the proposition. I want to ask the Senator, with his permission what, in his opinion, would be a necessary rate of duty in order to maintain the woolen industry in this country? I will put it in a more concrete form. Does not the Senator think, if the wool industry had a duty of 50 per cent on an average upon imported articles similar to those produced in the United States, that that would give them the American market in sufficient degree to keep up those industries?

Mr. CARTER. Mr. President, from the viewpoint of the wages paid, 300 per cent would not be adequate to-day. As it is, however, we will admit that our people are more competent and more intelligent, and can, man for man, perform more and better service than that performed by the people of South America or any other part of the world engaged in sheep husbandry. Mr. President, I would state to the Senator from Georgia that upon this wool schedule I expect the Senate to vote for the rate that will make up the difference between the cost of production here and the cost in competing countries, and not one farthing more.

I will undertake to present to the Senate, when that schedule is reached, what to my mind will amount to a mathematical demonstration of just what we need in order to prosecute this business; and I shall expect the vote of the Senator from Georgia, of course, because it will be a reasonable proposition.

### *Duty Is Seldom Added to the Price.*

Mr. CARTER. Mr. President, the Senator from Georgia falls into an error which is very common in connection with the Tariff question. By the simplest form of mathematics they proceed to figure the total amount of the duty on a given article, add that duty to the cost, and assume that to be the price, whereas in truth and in fact it is only rare indeed that an article sold in the American market is sold for the cost plus the duty.

Now, I will cite a case. I noticed in the morning papers advertisements of woolen suits—I think six or seven of advertisements of different stores in the city. It is coming along toward warm weather, and the wise merchant knows we will all be driven down town to buy a suit one of these days and is throwing out his advertisement in the most attractive form possible. I find advertised for \$10 a suit of clothes made exclusively of wool, and well made, too. I took occasion to inquire as to the manufacturer's charge for that suit of clothes, and I found that the cost of the suit of clothes to the retail merchant amounted to about \$4, including the duty on the wool, the compensatory duty to the manufacturer, the protective duty to the manufacturer. The whole of the business, from start to finish, amounted to a little less than \$4 for a suit of clothes.

There is another suit at \$7.20, cost not in duty on wool, not in duty on the cloth, but cost in the aggregate. The duty on the wool, the manufacturer's compensatory duty, the Protective duty to the manufacturer, the wages to the tailor, and all the profits added on, a \$7.20 suit just cost the trade \$2.80.

American labor, competing in the steady market of the United States—a market which the Senator has well said is the best market in this world—will produce and sell the finished article as cheaply as it can be produced and sold on our scale of living without reference to the amount of duty which Protects the market.

### *A Common Error and Fallacy.*

The common error and fallacy which has been spread broadcast over this country and is believed by many credulous people has been that upon which the Senator from Georgia figures to-day. He says the duty on the wool is 11 cents a pound. It takes 4 pounds of wool to

make a yard of cloth. That makes 44 cents of duty in the cloth; then 60 per cent Protective duty, with 44 of compensatory duty to offset the duty on the wool, and he puts them on top of the other and says the American manufacturer adds all of these to his actual cost and his profit, and that we are paying it all. In order to see that that is a fallacy pure and simple it is only necessary to go to the next store and price the goods.

In reference to the woolen schedule it is only necessary to look about and see how well people are clothed in this country to observe the difference between now and the time when the country had free wool and free woolens. When I was a boy, growing up in the State of Ohio, we had free wool and free woolens, and I remember in those blessed old days that six young men living in my neighborhood were married in the same suit of store clothes, loaned out from one to another. The people had to make their own clothes. They relied on a foreign market. There was no labor or employment at home with which to make the money to buy anything; and if the theories of the Senator from Georgia could be put upon the statute books, crystallized into law, we would return to those good old days again.

### *Farmers Did Not Enter into a Conspiracy.*

But the Senator from Iowa [Mr. Doliver] took occasion to remark that the shepherds and the weavers had joined together in what may be termed, if that odious language were imported, a "conspiracy" for the purpose apparently of perpetually robbing the American people. The Senator did not mean to carry out that idea to its full natural consequence. The shepherds of the country are made up of the farmers of the United States, and the farmers of the United States, the men who have paid the taxes and fought the battles of this Republic from the beginning, can only conspire against the American people when they conclude to conspire against themselves.

It is true there is a community of interest between the woolen manufacturer and the woolgrower, and where common interest prevails it is a stretch of imagination indeed to assume that a conference regarding the common interest amounts to a conspiracy against the community. As I said before, Protection

on the wool is of no avail to the wool-grower unless you Protect the woolen manufacturer, so as to give the grower a market at the home mill. If the market is in England, what avail will be the Protective duty to the woolgrower in the United States, for in that distant market he must meet the \$3 sheep herder from South America, the woolgrower from Cape Colony, the woolgrower from Australia, and, indeed, the competing wools of all the world.

In that competition he can not engage, but instead will send the sheep to the slaughter pen, have them chopped up on the block and sold by the pound, and then, unhappily, when the flocks are gone, we will be dependent for our clothing, wholly and solely, upon the wool-growers of distant climes and upon the manufacturers of other countries.

In case of war or disturbance in the channels of commerce and trade on the ocean, we would be compelled to pay excessive prices for our woolen goods, brought in through the perils of war, or else resort to cotton clothing.

The loss would not be the loss solely of the individual who owns the sheep and sends them to the slaughterhouse, but it would be in the nature of a great national loss, because we can not sacrifice the woolgrowing flocks of the country without striking down one of the pillars upon which rests the commercial and the industrial independence of these United States.

### **No Promise of Downward Revision in the Platform of 1908.**

*From the Congressional Record of May 5, 1909.*

WELDON B. HEYBURN, of Idaho. I had not intended to discuss the lead schedule under consideration of this item, but inasmuch as you can not separate the consideration of the principle here from the principle involved in the lead schedule we might as well meet it now.

The reduction proposed by the House bill was probably along the line suggested a number of times, that there was some pledge of the party for a downward revision. I have on several occasions felt tempted to put into the Record the pledge of the party, and I will take advantage of the opportunity to do so at this time, because it has been

stated that the Republican party was pledged to a revision downward. I will read the declaration of the national Republican party at the last Chicago convention.

#### *Idaho Protectionism.*

Mr. President, it was intimated at the beginning of this discussion that we might be open to a charge of bad faith if we did not recognize that as a pledge for downward revision. I know not with certainty what may have been spoken or promised in other States, but I desire, in connection with the declaration in the national platform, to advise the Senate of the promises that were made in the State which I in part represent in this body. I will read it:

The Republican party stands, as it has always stood, for the principle of Protection to American industries. Tariff schedules, as all other legislation, need revision from time to time as new conditions arise. We believe this revision should be made by the friends of this legislation, and not by its enemies. We contrast Democratic revision of the Tariff with Republican changes. Democratic revision has always been followed by disaster; Republican revision by prosperity. Idaho is essentially a producer of raw material, and comes in competition with all the world in that direction. We believe that raw material should have protection, as well as the manufactured products, to the end that the laborer who produces both should be properly Protected against his competitor in other lands.

That is the political doctrine upon which we went before the people of the State of Idaho and asked their support to the Republican party. They responded with a majority of almost 17,000 votes in favor of those declarations. There is no promise in either of those platforms for a downward revision. Participating, as I did, in the campaign of that State, at no time did I concede that the Republican party was pledged to a revision downward, but on all occasions I told the people to whom I spoke that the Republican party was pledged to an intelligent exercise of its judgment, untrammelled by any ulterior purpose or any outside promises.

#### *Duty on Lead Ore and Lead.*

I suggest to the Senator that the duty on the lead in ore before it is smelted being 1½ cents, it reasonably follows that the duty upon the lead after it is extracted from the ore should bear an increased rate, because there are between

these two points the wages and the labor and the investment of capital connected with the smelting of the ore. We want that investment of capital in the smelters of this country; we want the wages paid to the thousands of men engaged in operating smelters paid in this country; and for that reason we want a corresponding duty upon the product of lead ore after it is extracted. It is the rule that runs all through the Tariff legislation.

It may be interesting to Senators to know that in the first Tariff bill ever passed by the Congress of the United States there was a duty of 1 cent a pound; that it has always been considered a proper subject for Protection, in view of the fact that it is all the product of some man's labor. That is the principle which lies behind it.

### Adverse Criticism of the Duties on Wool.

*From the Congressional Record of May 6, 1909.*

JONATHAN P. DOLLIVER, of Iowa. . . . This whole top duty was put in our Tariff laws by a gentleman from Boston, who has filled the greater bulk of the volume of our Tariff hearings here in Congress for twenty years.

Mr. ALDRICH. That duty was put in the Tariff by William McKinley. Whether he did it upon the advice of somebody else or not, I do not know; but it was put into the bill by William McKinley.

Mr. DOLLIVER. I might go on until dark exhibiting these absurdities. I say to you, gentlemen, that you can take the bill and dig more of them out in one night's careful investigation with the advice of skilled persons—

Mr. ALDRICH. You have got them.

Mr. DOLLIVER (continuing). Than I have given you or than you would have time to receive in the Senate Chamber of the United States.

Mr. ALDRICH. There are plenty of skilled persons of that kind in this country and in our competitors abroad studying this Tariff question every day for the purpose of evading the law and destroying the Protective system.

Mr. DOLLIVER. Do you dispute the truth of what I say about these things?

Mr. ALDRICH. I do not.

Mr. DOLLIVER. Then you ought not

to attack men of character who have been sitting up nights with me.

Mr. ALDRICH. I do not intend to do that; but I intend to put in the Record, and I would be glad to do so now, if it would not interrupt the Senator—

Mr. DOLLIVER. It would seriously disturb the continuity of my discourse.

### *Similarity of Democratic Criticisms.*

Mr. ALDRICH. When the Senator gets through. I will put in the Record statements made in the debate upon the act of 1897 by the late Senator from Arkansas, Mr. Jones, and the late Senator from Missouri, Mr. Vest, precisely along the lines of the statements the Senator is now making. They could be taken word for word and read by the Senator from Iowa and would produce the same effect.

Mr. DOLLIVER. I said at the beginning that if I speak the truth, if I confine myself to facts, I will not be diverted by the circumstance that some wayfarer in this wilderness in a former generation happened to strike the same things that have occurred to me.

Mr. ALDRICH. I only made that observation for the purpose of showing that the men who are trying to destroy this Tariff are still "doing business at the old stand."

Mr. DOLLIVER. Mr. President, I resent that statement. I am not trying to destroy this Tariff. I wish to leave it a Republican Tariff that can be defended in the United States; and before I conclude I shall show the Senate that I stand not upon what Senator Jones, of Arkansas, said, but upon what Senator Aldrich, of Rhode Island, did in 1888.

### *Free-Trade a Bad Remedy for Trusts.*

I spoke years ago in the Senate Chamber on the subject of the Protective-Tariff system and the speculative trusts. Very few listened to what I said, and I never have met anybody since who appeared to have had any familiarity with the literature which that speech created. And yet it is some satisfaction for me to know it laid down some broad principles and some sound principles, and among them this, that no trust can master this market place in the present state of American enterprise and the present abundance of American capital without first monopolizing the raw material with which business must be



transacted. I have felt ever since that a wise thing for the Senate to do is not to put trust-made goods on the free list, a remedy which would fall equally upon the just and the unjust, and instead of killing the trust would be more likely to kill the struggling competitors and turn the entire domestic business over to the trust, or, if not, would at least sacrifice American labor, which must be entitled to our consideration, whatever may be the offenses of American capital against our policy and our laws.

### *Protection a Great Industrial Doctrine.*

I am not surprised to see Democrats change their views about the Protective Tariff. The foundation of it is secure. It met the judgment of the wisest men we have ever had in the United States. Hamilton and Benjamin Franklin and Abraham Lincoln believed in it in their day. It is no invention of modern times for the robbery of the many for the benefit of the few. It is a great industrial doctrine, lying at the foundation of our institutions, because our institutions would perish if we allowed the industrial level of the United States to fall to the industrial level of many of the old countries of the world who are our competitors in productive enterprises.

The Protective-Tariff doctrine is sound. It fails only through the inequality with which it is applied to our affairs. It fails only when avarice and greed, anxious to make more money, have such influence with Congress as to rewrite our Tariff laws, not in the interest of the public, not in the interest of the unnumbered millions of our people, but in the narrow, naked, sordid, personal interests of a few men scattered here and there in various sections of our beloved country.

### **Not a Fair Compliance with the Republican Platform of 1908.**

*From the Congressional Record of May 7, 1909.*

ALBERT B. CUMMINS, of Iowa. I am just as fond of the Republican party as is the Finance Committee. Unlike its distinguished chairman, I was born in the Republican party. I came of a race of Abolitionists, who were Republicans not because they thought a Republican management of the industries and of the

commerce and of the finances of the country was more capable than a Democratic administration, but because they believed the Republican party was more firmly and deeply devoted to the cause of humanity.

I have lived many years in the atmosphere of Protection. I was born and raised upon the Monongahela River, in a community and in an air that would have stifled the first breath of a Free-Trader. I came to my man's estate with the earnest conviction that Protection was not only the best policy for a great people like our own, but that it was the only policy under which our people could prosper and achieve the destiny that the Almighty has intended for the American Nation.

Let no man, therefore, impeach my Republicanism because I question the duties that are attached to the various articles and commodities found in the pending bill. I resent in the beginning and I shall resent at every step of this bill through the Senate, any such insinuation or intimation, whether directed to me or whether directed to any of my colleagues who hold the same general views that I do.

The things that I do not like in this bill are plain and obvious. The things that I do not like are so clear that the man who runs may read, and I have sometimes thought that they were so atrocious that the man who reads will run as well.

When I say "atrocious," I want there to say a word. I have expected to vote for this bill. I intend, unless something develops that has not yet made its appearance, to vote for the bill. But if I do vote for it, I will vote for it because I believe it to be some improvement upon the duties of 1897 as tested by the conditions of the present moment. I shall not vote for it because I believe that it is a substantial revision of the Tariff duties or a fair compliance with the Republican platform of 1908. I desire that my position with respect to it shall be everywhere known.

### *Effect of Tariff on Prices.*

Mr. FLINT. Mr. President, my attention has been called—and I will address myself some few days later to the subject, if I have an opportunity—to one article of crockery which has been imported at the rate of 60 per cent. The

article costs, landed here, 5 cents or less. That same article is sold in the department stores throughout this country at 25 cents. I ask the Senator—if that statement is correct, and I believe it is—what relation the 60 per cent duty had on that article which cost 5 cents, when the consumer was paying 25 cents in a department store for it?

Mr. CUMMINS. None whatever. But the Senator from California, with his keen mind, must understand that there is no more relation between the case he puts and the case I am arguing than there was between the duty and the price in the case he suggests. When you extend that observation to a commodity that is on every table and which fills every store, you can not ask the Senate to believe that the duty imposed upon such an article has the same relation to it, or has the same effect upon it, that it does upon some gimcrack or toy that is sold for an artificial price and surrounding which there is no relation, as you may well say, between the cost of production and the price of sale.

But now answer me this question while you are on your feet: Are you prepared to say to the Senate that the price paid by the American people for the great, important things which they use and consume is not affected in any way by the cost of production? Answer me whether that is true.

Mr. FLINT. The question of the cost of production and the rate?

Mr. CUMMINS. That is just what I mean.

#### *Tariff No Factor in the Selling Price to the Consumer.*

Mr. FLINT. I think I can show the Senator before we finish with this table that the illustration which I have given can be duplicated many times over. This illustration was merely the matter of a toy. I will now call the Senator's attention to another article which has been brought to my attention that is in everyday use. The manufacturers of razors in Connecticut sell those razors to the jobbing houses for \$3.95 a dozen. The jobbing house sells those razors for \$5 a dozen to the retailer, and the retailer charges \$2 to the consumer for such razors, or \$24 a dozen. Was the rate of 25 or 50 per cent on the \$3.95 that this article has been manufactured for in this

country a factor in the selling price to the consumer?

Mr. CUMMINS. I do not know whether it is or not. It depends entirely upon the cost to the retailer selling the product. But I will not permit the Senator from California to divert the attention of the Senate from commodities that are in universal use, in which the consumption is large, and upon which there is an established price in every market; I will not permit him to divert the attention of the Senate from such things to toys or razors.

#### *Who Insisted upon Tariff Revision?*

It was not the manufacturer; it was not the lumberman; it was not the coal man; it was not the iron and steel man; it was not the glass man; it was not the cotton or the woolen man; it was not the oil man. During the whole agitation I never heard—you never heard—a demand from these people that the Tariff must be revised. The demand came from those who believed—whether they were right or wrong I will consider presently—that the duties upon many articles and commodities were too high; from those who believed that they were paying too much for the things they had to buy, and that excessive import duties, coupled with other conditions, were enabling a favored few to reap inordinate profits; and therefore they wanted, as one of the steps leading to the remedy which they sought, a substantial reduction of these duties. It is not necessary at this moment to inquire how many people so believed or in what part of the country they lived. It is not necessary to ask whether they were right or wrong in order to understand what the platform means. It is sufficient to say that it was under this demand from these people, whether they were many or whether they were few, that the party in its organized capacity promised a revision of the Tariff; and the Senator who imagines that he can satisfy these people by saying that a revision with higher duties or with substantially the same duties is a compliance with the platform little understands the relation between people and platforms. I do not say that a Senator has not a perfect right to carry into effect his own views; I do not say that he has not a perfect right to repudiate the platform. In a contest between conscience and a party declaration conscience ought always to win. But a Senator who hon-

estly believes that there should be no substantial reduction ought not to delude himself with the idea that he can answer the calls of his conscience and his platform at the same time.

***Shall We Crush the Independents for the Sake of Hurting the Trusts? ,***

Mr. SMOOT. Is it not also true that the United States Steel Company guarantees to all of its employees that they will not lose any money on the purchase of stock from the company?

Mr. CUMMINS. I think so.

Mr. SCOTT. That is correct.

Mr. CUMMINS. Mr. President—

Mr. SMOOT. One other thing. My attention has been occupied from morning until night at all times when I have not been in the Senate Chamber with men who are interested in the manufacturing of steel and iron. They have not been from the United States Steel Company, but from the independent manufacturers of this country. Does the Senator from Iowa feel that we ought to have a duty so low as to chastise, as it were, the United States Steel Company, and, by so doing, drive all of the independents out?

Mr. CUMMINS. Mr. President, I hope the Senator from Utah will not impute to me any desire to chastise. I do not desire to chastise the United States Steel Corporation.

I intend to vote for a duty that will protect these so-called "independent institutions," although they are not independent, and although I believe they produce their product as cheaply as the United States Steel Corporation produces its product. Do not misunderstand me when I say I do not believe they are independent; I do not mean they are in association with the United States Steel Corporation, but what I do mean is that the commanding power of the United States Steel Corporation in the trade robs these institutions of their independence, however much they might like to be free and to follow their own course. So long as the United States Steel Company will hold the prices up these independent companies gladly follow; but whenever the United States Steel Company forces the prices down, these independent companies must necessarily follow. Therefore they are not independent in any proper sense of the word,

because their will does not fix the price of this commodity in the United States.

***Sixty Per Cent. of Steel Production Is Non-Trust.***

Mr. SMOOT. The independent steel manufacturers in the United States are manufacturing now about 60 per cent of the product of this country.

Mr. CUMMINS. A little less than that, I think.

Mr. SMOOT. That is near enough, anyway.

Mr. CUMMINS. They manufacture about 8 per cent less than that, I believe, although the Senator's information may be better upon that point than mine.

Mr. SMOOT. Then we will grant 52 per cent, although my information is that it is about 60 per cent. There has not been an independent steel manufacturer before the committee or in my office who has not frankly admitted that the independent companies can not make steel and iron as cheaply as can the United States Steel Company. The question arises as to how far we should reduce these rates and whether they should be reduced so low that all of the independent steel manufacturers in this country can not live. So far as I am concerned, I want a rate which will protect the independent steel and iron manufacturers of this country so that they can live. I want the rate no higher and no lower than that.

Mr. CUMMINS. Mr. President, I have the same purpose in view, but I will convince the Senator before I have finished that we ought to cut these duties exactly in two, and that would be a high protection even for the independent companies. Of course, I am not speaking about iron ore, which I think ought to come in free.

***We Would Be at the Mercy of a Gigantic International Combine.***

Mr. GALLINGER. The testimony, as I understand, before the House committee showed that the United States Steel Corporation can make all classes of steel products \$2 a ton cheaper than the independent concerns in the country, which have about 60 per cent of the business. If you take the Tariff off in order to hit the United States Steel Corporation, the independent concerns believe it would wipe them out of existence and give the United States Steel Corpora-

tion the command of the market, and then that corporation could combine with the foreign companies, and we would be at the mercy of a gigantic international combine. How would you get over that?

#### *There Would Still Remain the Lamp Post.*

Mr. CUMMINS. I reversed the quotation intentionally. I, however, have not ventured to look forward to that disastrous day on which all the industries of the United States and all the industries of the world shall be concentrated in a single hand or a single board of directors. I suppose that when that day dawns, when a single mind directs the energies of the earth and controls the fortunes of mankind, so far as manufactures are concerned, there would still remain the lamp-post for the common people. I know of no other remedy for that kind of slavery. I can not believe that it ever will be imposed upon either the people of the United States or the people of the earth; but if it ever is, you may be sure that the millions will find some way to shake those shackles from their wrists, just as they have found a way of emancipation in every other emergency in the history of the earth. Such is my answer to the last inquiry.

I do not believe in lowering the duties to the point that will enable the foreign producer to take our market. I am arguing with respect to the degree of duties that will enable our producers to hold fairly our markets, but will prevent our producers from raising their prices above the fair American level.

#### *A Mathematical Proposition.*

Mr. ALDRICH. The Senator says we ought to reduce the profits of the United States Steel Company to a normal point. That is what I understood. He says it made a profit of nine dollars and some odd cents a ton more than it ought to have made.

Mr. CUMMINS. Yes; I said \$9.24 more than was necessary to enable that company to pay 6 per cent upon its capital; and that, so far as the Government of the United States was concerned, our full duty would be done when we so adjusted our schedules as to enable that company or any other to earn 6 per cent upon its capital. That is my proposition—not as stated by the Senator from Rhode Island.

Mr. ALDRICH. The Senator will see,

as a mathematical proposition, that if steel rails were put upon the free list, the company would still be earning a dollar and some odd cents a ton more than they should have, according to the Senator's contention.

Mr. CUMMINS. I am not concerned in that. I do not care.

Mr. ALDRICH. As I understand the Senator from Iowa, he is proposing a new method for computing specific duties. He suggests that, in the first instance, we should ascertain what ought to be the capital of a company engaged in the production of any of these articles, and then determine what rate of interest or dividends should be paid by that company, and fix the rates according to the results which are ascertained by this method.

#### *Difference in Cost of Production.*

I supposed that we were proceeding upon the theory of taking into consideration the difference in the cost of production in our country and in competing countries. That is the rule which I supposed was to apply in the consideration and preparation of these schedules. If the Senator from Iowa is correct, and if we are now to take into consideration the valuation of all the property in the United States, with a view of ascertaining as to what companies are overcapitalized and as to what dividends shall be paid, we are to be led wide astray in the consideration of this question from any proposition which I have heretofore heard suggested.

#### **Revenue Tax Is a Tax That Falls on the Consumer.**

*From the Congressional Record of May 7, 1909.*

MOSES E. CLAPP, of Minnesota. By common acceptance to-day a Tariff for revenue upon non-competitive articles is called a "Free-Trade policy." England gathers through her custom-houses a small percentage more, I believe, per capita than we do; yet no one would object to the phrase, "Free-Trade England." So, in dealing with that phase of the Tariff which relates solely to revenue, I shall refer to it as a Free-Trade revenue Tariff.

Now, there are two certain peculiarities that attach to that kind of a Tariff, while it is perhaps true that in rare

instances a Tariff levied upon a non-competitive article may be absorbed in the manufacture of another article and sold in competition with an article that does not contain that particular element, and thus not to be added to the cost, and while, again, a Tariff for revenue may be so slight upon a specific object that it is lost in the transmission. But, as a rule, I undertake to say that a purely revenue Tariff upon noncompetitive articles in the end rests upon the consumption, and is properly called a "tax."

Another peculiarity of a distinctive revenue Tariff is that unless you raise it high enough to deter consumption by the increased cost, the higher you raise that Tariff the more revenue you obtain from it. So the man who stands solely and squarely for a revenue Tariff must recognize that he stands for a tax, in the last analysis falling upon the consumer, and stands for a system that the higher the tax the more revenue.

#### ***Protective Tariff Not Added to Selling Price.***

Turning for a moment, now, to a distinctive Protective Tariff, a Tariff upon imported articles in competition with our own production, the differences are exactly reversed. It is true that in some instances a Protective Tariff finally rests and finds its last analysis in an added cost to the consumer, but that is not the rule. There are Senators in this Chamber, perhaps, who have been engaged in the hardware business. If there are, they can recall the day when steel wire nails were selling so close to the figure of the Tariff itself as to render it absolutely impossible that that Tariff could be added to the productive cost of the home product in making the price of those nails. The Senators from Massachusetts will recall the time when cotton cloth at the factory sold so close to the Tariff itself as to absolutely preclude the idea that that Tariff was added to the home manufacturer's cost in the price. The Senators from Michigan will recall the time when a barrel of salt, barrel and all, sold so close to the Tariff itself as to preclude the Tariff being added to the cost of the home salt in the final price.

#### ***Protection's Benefit to Labor.***

A great deal has been said during this debate about labor and about the labor unions being more responsible for the

scale of wages in this country than any Tariff provision or Tariff policy. While organization has effected wages, organization is powerless to supply labor, as has been seen in every great depression. In relation to labor, it has been suggested that only a small percentage of the labor of America is under Protected industries. Mr. President, that to me is a very narrow and superficial view of the benefits of Protection. Some years ago General Hancock declared that the Tariff was a local issue. If we measure the Tariff question by the greed and fear which prompt a man with one industry in his locality to demand Tariff with reference alone to that production, then it is a local issue; but if we recognize it with reference to the entire people, it rises above a local issue. Take a great factory in Ohio, where there are a thousand men employed, and we will assume that that factory requires a certain degree of Protection. I want to ask the Tariff-for-revenue advocate if he believes the only people in this country interested in that factory are the thousand men thus employed? If that is the limit, then there is doubtful warrant for that Tariff. But I ask, Is not the shoemaker who makes shoes for that thousand men, is not the farmer who feeds that thousand men, interested in the question whether they shall be idle or whether they shall receive remunerative wages? Multiply that industry by the multiplied activities of this Nation, and you have a policy that reaches from one ocean to the other, with the welfare of a people interwoven in it at every point.

#### ***Labor Is Protected When Its Product Is Protected.***

But it is said that while we Protect the article we do not Protect the laborer, and that the laborer comes here and comes in competition with the laborer who originally was here. Mr. President, this, too, is narrow and superficial. To illustrate: Here is a man in Geneva engaged in making watches. Here is another man in Elgin engaged in making watches. I know no way save one, too brutal to suggest, by which the Elgin watchmaker can get rid of the personal competition somewhere of the Geneva watchmaker. In the world's wide equation of prices and production, he has got to meet that personal competition.

But we will assume that there is a

difference in the wage scale between Geneva and Elgin and we put that difference in a Tariff law. The Geneva watchmaker comes to Elgin. Then the Tariff-for-revenue-only man exclaims, "You have done no good; you have given no Protection, because the Geneva workman has come to Elgin."

Mr. President, does it make no difference to the Elgin watchmaker whether he must compete with the Geneva man in Geneva on the Geneva scale of prices or compete at Elgin on the Elgin scale of prices? Does it make no difference to the American shoemaker whether, when he furnishes the shoes for the Geneva watchmaker, he must furnish them on the Geneva scale of prices or furnish them on the Elgin scale of prices? Does it make no difference to the American farmer, if he is to feed the Geneva watchmaker, whether he shall feed that watchmaker upon the Geneva scale of prices and pay the freight, as he must upon the article which goes out of his land into world-wide competition, or whether he saves that freight and feeds the Geneva watchmaker on the Elgin scale of prices?

It seems to me that that argument is simply unanswerable, and yet in this discussion we seem to have lost sight of both these points.

### The Logic of Protective and Compensatory Duties.

*From the Congressional Record of May 7, 1909.*

THOMAS H. CARTER, of Montana. Mr. President, the principle applicable to this schedule will run through all of the schedules we may be called upon to consider in connection with this bill. It is of no avail to the grower of wool to have a duty on the wool imported into this country if he is bound by conditions to ship his wool to foreign markets for sale. The duty is of avail to him only with the American market place to sell in. I should like to have the Senator from Missouri explain how 1 cent or 10 cents a pound duty on lead would be of any use whatever to lead producers in Missouri, if those lead producers are deprived of the American markets in which to sell their lead; and the American market for the sale of lead is dependent upon the continuance of the

manufacture of lead into the various forms in which it is useful to commerce and to the consumer. Put white lead on the free list, or reduce the duty on white lead so that it can not be successfully manufactured in this country, and a duty of 10 cents a pound on the lead contained in Missouri ore is not better than a duty of one-tenth of 1 cent per pound, because, in either event, the lead of Missouri must be sold in the open markets of the world, instead of in the Protected market of the United States. The logic of the situation drives the Senator from Missouri either to abandon his position for any duty upon lead or constrains him to support by a reasonable compensatory duty the American manufacturer of lead products, so that he may have a market at home for that which is produced in Missouri.

It seems to me these propositions are elemental. A producer of so-called "raw material" in the United States can in no case be benefited by a Protective duty on his so-called "raw material" if all the compensatory and Protective duties are taken off the finished product.

### Difference of Wage Cost in the Mining and Smelting of Lead Ore.

*From the Congressional Record of May 7, 1909.*

WELDON B. HEYBURN, of Idaho. Great concentrating works and smelters can be built in Germany or in Mexico for a third of the amount at which they can be built in this country. We therefore lose the wages represented by the construction of these works to the laborers of this country and give it to those abroad.

That is one of the very largest items that enters into this proposition. We want the wages paid for mining the ore paid to American miners. We want the wages and the expenditures incident to the extraction of the lead from the ore paid to the laborers of this country. In our State we purchase something like \$2,000,000 worth of machinery in our country for the purpose of converting lead ore into lead bullion or into concentrates.

That machinery and those works are produced by American labor out of American material. Would you substi-

tute the foreign labor and the foreign material for that? I think not, when the Senator comes to think of it. The whole principle of Protection is that we may draw the benefits of labor and investment to ourselves, so that the money may stay in this country and be distributed according to the enterprise.

Lead ore can be mined in Mexico for one-third of what it costs to mine it at any point in the United States. The machinery for the purpose of converting it from ore to bullion can be constructed for one-third of what it can be constructed for in the United States. The wage paid in the stage of transformation of ore in the ground to bullion on the floor is three times as much in this country as it is in Mexico or in Germany. It costs here a third more in wages either to mine or to mill or to smelt. In Germany they take the ore from foreign countries; they ship it from Australia to Germany; they convert it into bullion there; and they will send it to this country either as lead bullion or as white lead or as some other manufactured product of that bullion. They have at all times 33 1-3 cents the best over us after paying the expenses of bringing it from Australia to the Rhine, and from there to the seaboard of the United States. Those are the figures. They are not theories.

### Increased Cost of Living Is Owing Almost Entirely to the Increase in the Price and Value of Agricultural Products.

*From the Congressional Record of May 8, 1909.*

NELSON W. ALDRICH, of Rhode Island. The committee is hearing people all the time. The town is full of people like the president of the organization which the Senator from Nebraska mentioned, but did not specifically name. The hotels in this city are crowded with people, with representatives of industries, of laboring men, of people who are engaged in all these various industries. There is not a day passing but some deputation of people is here asking the committee to make changes in these schedules. Nine hundred and ninety-nine out of

one thousand are people who are asking us to increase the rates contained in the Senate bill.

The Senator from Nebraska talks about the consumers and the interests of the consumers not having been represented before the committee. Who are the consumers in the United States? Is there any class of people in this country, except a very limited number, who are consumers and not producers? Are they better entitled to consideration than anybody else? The consumers of Nebraska are more interested in the preservation of the Protective-Tariff system than they are in any other public policy which is involved in this bill or before Congress. Their prosperity, if you please, which I have witnessed with pleasure, has been derived from the fact that they had in the United States a market for all their products. I have seen the products of Nebraska and of the other agricultural States mount year by year, month by month, day by day, until the increase in the cost of everything in this country is owing almost entirely to-day to the increase in the price and the value of agricultural products. Those people have not been here, except as they are here by their representatives, demanding a reduction of duties.

I had a conversation this morning with a gentleman from North Dakota, the chairman or the president of a committee of an organization, the Society of Equity in the United States. What did he ask for? He said he represented the farmers in the West. He is a very intelligent man. What did he say? Was he seeking evidence to destroy the industries of the United States? No. He was asking for agricultural products a proper Protection, and he said that what he wanted for himself he was willing to give to others.

### I Want to Protect the American Laborer.

*From the Congressional Record of May 8, 1909.*

WESLEY L. JONES, of Washington. This is the testimony of one of the great corporations having practically full control over this industry. This gentleman goes into details and evi-

dently knows his business. He says the only differential needed is about two-eighths of a cent. That is entitled, of course, to great consideration, and we ought to have some testimony of somebody who is equally acquainted with the business to controvert it. That is all I am trying to get at. I do not yet know how I am going to vote on this proposition, but I want to know what the differential ought to be. I want to Protect the American laborer. I do not care anything about who owns this lead or these smelters and all that sort of thing. There is no question about a great difference in cost of smelting in Mexico and this country, and if five-eighths differential is necessary to maintain our wages, I want five-eighths cent put on. If it is not necessary, I do not want to have it put on.

### Information Obtained for the Work of Revision.

*From the Congressional Record of May 8, 1909.*

EUGENE HALE, of Maine. The Committee on Finance in the Senate was at work day and night and Sundays upon the House bill, as reported to that body, getting information of the different schedules, and spending days and weeks getting ready for its report when the nominal and formal report of the bill should come from the House as the action of that body.

The Senator is entirely and absolutely wrong and without any conception of the situation when he says that in twenty-four or twelve hours after receiving the bill from the House the Senate committee concluded and reported it as though the whole thing was a subject of a few hours' consideration.

There is not a member of the committee here who does not know that our time was all engrossed, confiscated, everything else abandoned, while we considered the propositions, the schedules of the House bill, for weeks before the formal bill was presented, and there was no inconsiderate action on the part of the committee in twelve hours in reporting.

The action of the committee has not been in any way the action of a committee dealing with a subject in a

hole, in a corner, or in a private way. I have seen five or six revisions of the Tariff in my service, and I have never seen, and no Senator has ever seen, so much information brought to the service of the Senate as the Committee of Finance has brought to the service of the Senate in the discussion and consideration of this subject.

### Information As to Export Prices.

Mr. GALLINGER. Just a word, Mr. President. I want to say to the Senator that, in response to a resolution I submitted, which the Senate passed, calling for information as to export prices as compared with domestic prices in foreign countries, a voluminous reply has been received from our representatives abroad, every word of which I have read with great gratification, because it shows that the custom that is to a slight extent prevalent in this country of selling goods abroad at less than at home is universal throughout the world, as Senators will discover if they read that document.

Mr. HALE. By other nations?

Mr. GALLINGER. By other nations. Mr. CARTER. The trick of selling shop-worn goods at any price obtainable is current all over the world.

### Founders of the Government Did Not Intend That the People Should Be Governed by Commissions.

*From the Congressional Record of May 8, 1909.*

THOMAS H. CARTER, of Montana. Mr. President, the Senator from Nevada suggests that we are too numerous to think [laughter], and that we ought to delegate the task to a commission. That Senator seems to believe that if we think at all we think inaccurately and reach conclusions that are ill-advised and little justified.

Mr. President, undoubtedly the Senator is correct in saying that there should be a commission to digest the matter in these books; but we have a commission. I will put the Ways and Means Committee of the House of Representatives and the Finance Committee of the Senate of the United States against any equal number of men on this earth as experts to digest information and place it before the Congress in convenient form. Where will



you get a body of experts superior in judgment, possessed of more accurate knowledge or equal experience? The Senate and the House, through their committee organizations, undertake, and wisely, too, to boil down these various elements of knowledge into definite form for ready use in the discussion of matters upon this floor.

The reports of the committees of the Senate and House are concise and clear. If they are wrong, we must suffer from one of the infirmities of our system of government and let experience, which may be costly, correct our erring judgment. We will do the best we can.

It has been frequently suggested here with reference to all kinds of questions that commissions be appointed. I must say that, on general principles, I do not fancy the policy of delegating congressional power or abdicating congressional functions. I have an abiding faith, sir, in the wisdom of the founders of this Government of ours, and let it be understood that they did not intend that the American people should be governed by commissions.

They intended that the people should be governed by law; and they designated in the organic law itself the machinery by which laws could be placed upon the statute books and kept there and construed while they remained. Every departure from the intention of the fathers as written in the Constitution will weaken this Government of ours in the minds of the people, where it should be strong; it will weaken it in the confidence of the world, where it should be respected.

#### *Faith In Congress as a Tariff Commission.*

I have great faith in a commission made up of the picked men from 391 districts in the United States. I think the House of Representatives is a splendid commission. Some 14,000,000 electors in 391 districts "pick the best man in each district and send him down to the Council Chamber, the House of Representatives, to constitute a commission." We call them "Representatives."

We are beginning to suffer in this country from a bureaucratic reign. There is a germ which quickly lodges in every bureau and creates a con-

suming thirst for power. Every bureau you create begins at once to spread its tendrils out, seeking additional jurisdiction, until it absorbs everything in sight, and then quarrels for more. We witnessed here within a few years a meager appropriation of \$5,000 to start a bureau, and within five years we appropriated \$5,000,000 to keep it going for one year, and that is only the beginning.

Mr. President, I believe in this Government being maintained, as nearly as may be, in its original simplicity; and I have no sympathy with, nor respect for, the new doctrine of duplicating Congress eternally in the form of commissions. From another point of view, the appointment of commissions to do our work is an abdication, which, according to current view, absolves Congress from responsibility.

#### **This Is a Nation of Producers.**

*From the Congressional Record of May 8, 1909.*

HENRY CABOT LODGE, of Massachusetts. There is one other point, Mr. President, that I want to make, which was alluded to by the Senator from Rhode Island [Mr. Aldrich] this morning, and in regard to which the Senator from Georgia yesterday spoke—the oppression that is being visited on the consumer. I am not going to waste any of our much-wasted time on that old worn-out, exploded fallacy that the Tariff duty is added to every article of domestic products which is bought or sold. I merely wish to touch upon this myth of a consuming public which is being oppressed for the benefit of a few manufacturers and operatives. Where is this separate and isolated public of consumers? The people who are consumers only, who neither toil nor spin, are so few in this country that they are negligible and ought to be neglected. This is a Nation of producers. The Senator from Georgia referred to the manufacturing and mechanical pursuits as if those were the ones especially nurtured at the expense of this mythical public of consumers.

Mr. President, I am afraid he forgot that according to the census of 1900, the last census, now nearly ten years old, there were 7,085,000 persons earning wages in mechanical and manufac-

turing pursuits and industries which are all covered by the duties of the Tariff law. That indicates a population supported by these industries of from thirty to thirty-five millions. Who took those 35,000,000 people out of the ranks of American citizenship? Who separated them from the rest of the American public? They are a pretty large portion, Mr. President, of the citizenship of the United States. When did they cease to be consumers?

According to the same census, there were 10,000,000 people engaged in agriculture, 1,200,000 in professional pursuits, 5,500,000 in domestic and personal service, 4,778,000 in trade and transportation, and 7,000,000 in manufacturing and mechanical pursuits; in all, 29,000,000 people in gainful trades and occupations earning money. Take the people they support, the mouths that those 29,000,000 workers feed, and you have practically the whole population of the United States.

#### *Too Late to Challenge the System of Protection.*

I come from a great manufacturing region—the region of New England and New York and Pennsylvania and New Jersey and Delaware. We are full of manufacturing industries, built up under the system of Protection. It is too late in the day now to talk about whether that system was wisely or unwisely adopted. It has been practically the policy of the United States, with some fluctuations, some ups and downs in rates, since 1816. Under this system great industries have been built up. If you undertake to wreck that system at a blow, if you deal harshly with all this complicated machinery of business and production, you will throw that vast manufacturing population into distress and misery. Ten years ago more than 30,000,000 people were dependent on those engaged in manufacturing and mechanical pursuits. They are your market, I say to the wheat-growing States of the West; they are your best market, a market that can not be taken from you, for a large part of all that you raise and all that you produce.

#### *The Prosperity of All Depends upon the Prosperity of Each.*

This debate has arisen upon the

question of the production of lead. My State has no lead mines and no smelters; it is not interested in lead production. If I were to be guided solely by a narrow, local, selfish interest, I should say, cut these duties down or make lead free, if you please, so that those engaged in the mechanical industries can buy these products a little lower; but, in my belief, Mr. President, nothing could be worse for my people than to indulge in any such plan as that. The prosperity of Idaho and Utah and Missouri and Colorado is part of the prosperity of my people. I want to see them have the same Protection which I demand and which my constituents demand wherever Protection is needed for our industries. The great mechanical and manufacturing industries of this country can take no other position; and those who attempt to break them down run the risk of bringing on a business disaster to which nothing that we have ever had would be comparable. You can not shift a system like this in a minute. Why, Mr. President, at the bottom of this system lies the industrial independence of the United States.

The Senator from Georgia [Mr. Bacon] talked to us about the cotton growers, and he said there was no Protection on cotton. The prosperity of the cotton grower, the prosperity of the South, is probably more keenly desired by the State I represent in part than that of any other portion of the country, because upon the South's great staple our greatest industry depends.

#### *When the South Was Helpless for Lack of Protection.*

But, Mr. President, the economic system which the Senator from Georgia was advocating yesterday, was tried in the South. They always resisted the Protective Tariff in the old times; and although they could not prevent the adoption or the continuance of the policy, they refused to take advantage of it. They left their rivers unused and their mines unopened.

That great and splendid country was devoted to the production of a single staple. The dark hour of trial came upon them. Never was greater valor, greater military skill, greater self-

sacrifice, greater devotion shown to any cause than the Southern people showed to their cause; but when the lines of the blockade drawn around their ports were tightened and the foreign trade, on which they had depended, and on which they would have had the whole country depend if they had had their way, was cut off, they could not clothe or supply their armies; they could not get medicine; they could not make paper or iron or steel or pottery. They were in a state of helpless industrial dependence. The worst enemy that the South had to meet in that great struggle was their own economic weakness.

Mr. President, we have built up under this policy of Protection the industrial independence of the United States. It was the dream of Alexander Hamilton. It has been fulfilled. We have built it up and to-day the South, thank Heaven, is taking advantage of it and is beginning, at least, to get her share of the great riches which nature has given to her. But to go to work and tear it wildly down on an idea of general reduction, for the sake of reduction here and there, would be disastrous. The only way to deal with this question is to move cautiously and carefully, to deal with each paragraph as it comes up and on the merits of each case as it is presented to us.

#### *What the Republican Party Pledged Itself to.*

The pending bill, as a matter of fact, is full of reductions from end to end, but nobody ever pledged me to a revision downward any more than to a revision upward. What the Republican party pledged itself to, and so far pledged me, was to a Tariff revision made on Protective lines. I supposed that we would come here in this body and in the other House and revise the Tariff for the best interests of the whole country—agricultural, industrial, and every other; that if it were wise to reduce a duty we would reduce it; if it were wiser to keep it the same we would keep it the same; if an industry needed, and the facts showed that further Protection was needed, we would give it that further Protection. As a matter of fact, the revision generally is downward.

### **The Object Is to Keep the American Laborer Employed.**

*From the Congressional Record of May 8, 1909.*

WELDON B. HEYBURN, of Idaho. The wages paid in the lead mines in the United States in the year 1907 were \$18,548,248. You can take the number of tons of ore—I do not mean the crude ore that has to be concentrated—and divide it, and you will readily see how much it costs to mine a ton of ore. The wages paid in Mexico to produce the same quantity of ore in 1907 would be \$6,182,749. There is a comparison between the cost in Mexico and the cost in the United States that certainly must make an impression upon the inquiring mind. The same ore, for which wages amounting to \$18,548,248 were paid in this country, would have been produced in Mexico for \$6,182,749. Who would benefit by it being produced in Mexico? What wage-earner is it that we ought to take into consideration? Who would be benefited by the paying of \$6,182,749 out for wages in Mexico when we ought to have paid \$18,548,248 to American miners? I will give you Spain, for instance. The same product in Spain could have been mined for \$9,274,124, as against the \$18,548,248 paid in this country.

The object of this legislation is to keep the American laborer busy—to keep him employed. When he is idle he is not only unfruitful, but he is expensive. The law that will keep employed the largest percentage of the labor in the United States is the best law, and it is the only law that we should consider. The law that puts out of employment a single man in the United States who ought to be employed is bad to that extent. The law that would put out of employment 500,000 men can not certainly commend itself to anybody.

Now, Mr. President, I want to keep before Senators the fact this is a question of whether or not the money we pay for mining these ores shall be paid in our country or paid somewhere else. If we pay it abroad, it never comes back. I want to keep before them the question as to whether or not the millions and millions of dollars expended in these mining plants shall be expended in this country or

in a foreign country. If that money is expended abroad, as I have said, it never comes back.

### Tired of Being L lectured About the Orthodoxy of the Republican Party.

*From the Congressional Record of May 10, 1909.*

KNUTE NELSON, of Minnesota. Mr. President, I am tired of being lectured about these schedules and about the orthodoxy of the Republican party. Let us recognize the fact that with a Tariff bill it is just as it is with the River and Harbor bill. There is no use disguising it. You tickle me and I tickle you. You give us what we on the Pacific coast want for our lead ore and for our citrus fruit, and we will tickle you people of New England and give you what you want on your cotton goods.

That is all I desire to, say in reply to the eloquence of the Senator from Massachusetts the other day. How patriotic he was! When you boil down the patriotism you come to the same basis as that of the River and Harbor bill. You vote for my creeks, you vote for my harbors, you vote for my rivers, and I will vote for yours, and shut my eyes, and it is all right.

So it is with the Tariff bill. The people that stand between these two elements—the New England element and the Mountain States—are ground between the upper and the lower millstone. We are willing to accept a reasonable reduction on our products. How is it with the rest of you?

Mr. BORAH. How much wheat does your State produce?

Mr. NELSON. I do not recall the millions of bushels produced in the State of Minnesota, but I desire to tell the Senator that the Tariff on wheat which is on the statute books has not done us a particle of good. It would be like a Tariff on cotton, because up to this time we have been exporting from one hundred and fifty to two hundred and fifty million bushels of wheat a year. The price of our wheat is fixed by the Liverpool price, the export price, and no duty up to this time has helped us. It may be possible that in the future it may help us, when the

great Provinces to the north of us have greater development.

### Minnesota Farmers Do Not Want Protection.

Then we may need Protection against it, but we will not go to the consumer and say, "We want Protection against Canadian wheat, because it costs us more to raise our wheat than it does over across the line in Canada." We are not going to put it on any such petty ground as you put everything that you set up in connection with the Tariff bill. It is all put on the shoulders of the poor laboring man. The poor laboring man has to bear the iniquities of the refining trust. He is compared with the peons of Mexico. I wish they would take the Senators who are so interested in the smelting and mining trusts and compare them with the peons of Mexico. If I want information about smelting and mining, I would not think of going to the books which the Senator from Montana piled up. I would look right in front of me to that seat [indicating] for information.

Mr. BORAH. The duty on wheat has been increased 5 cents.

Mr. NELSON. That was not with my consent. We are quite willing to have a reduction, even on cabbages and potatoes and lettuce and all garden "sass," and even dried apples, to which the Senator referred a moment ago. We in Minnesota do not, I may say, raise any dried apples, but still we are willing to have the rates reduced on those apples. We use them, and in the interest of the consumer I favor a reduction.

### Tariff on Earthenware Illustrates the Wisdom of Protection.

*From the Congressional Record of May 11, 1909.*

JONATHAN P. DOLLIVER, of Iowa. Mr. President, I spoke the other day in an informal way of the earthenware schedule. I stated at the time that, so far as my investigations had enabled me to go, there was no schedule in the Tariff law that had more perfectly illustrated the wisdom of the Protective doctrine.

I have always felt a special interest in it, because it is one of the few re-

maining handicrafts of the country and of the world. From almost the beginning of time it has been the industry of every people attaining even a very moderate civilization. We had a great deal of difficulty to start the earthenware industry in the United States, notwithstanding the evident fact that Providence intended us to make our own dishes and our own earthenware, having put the material as a natural resource under nearly every section of the United States.

I have studied with great care this earthenware schedule, and there are several things about it that differentiate it from many other schedules in the Tariff law. One of them is that the rates are ad valorem and not on their face excessive. The other is that in operation they have fully justified the most orthodox definition of the Protective-Tariff doctrine. Many years ago a great Democratic Secretary of the Treasury defined Protection in a way that, it seems to me, has never been improved upon. He said that the rates ought to be high enough to enable the home producer to meet the importer of foreign goods in the American market place on terms of fair competition.

That ideal of Protection is very seldom realized in our Tariff schedules. If I have seen the correct statistics, it has been almost perfectly realized in the earthenware schedule. There is not an item where the producer is not face to face with an active, vigorous, and sometimes damaging foreign competition.

#### *German Competition Has Risen Steadily.*

If you will examine the table of imports you will find that from the common earthenware up to the highest priced china our home manufacturers are every day face to face with a lively competition. We have never even decreased the competition that has come in for nearly a generation from England, although our own people have been able to hold their own against that. The German competition has risen steadily in practically every department of earthenware production, and especially in the higher grades of china, until it is to-day larger than it ever was before, and is productive of one of the most substan-

tial revenues that the Government derives from any source.

Our friends on the Pacific side of the world, with very great skill, starting in with native potteries, illustrating their national art, have accurately copied all the finer wares that are produced in the United States and in Germany and in Austria and France. That kind of importation is rising steadily every year.

For one, I desire to see the earthenware industry not only preserved intact in the United States, but I should like to see it extended to every State in the Union. I find that in my own State, underlying nearly all our coal measures, is a variety of clay corresponding with the finest varieties known anywhere in the United States, and some, we think, as fine as can be found in the world. I know that is true of nearly every Southern State.

I think it is a very modest expectation of the friends of the Protective doctrine that we should make our own dishes and the ordinary utensils of the kitchen and of the dining room in the United States, and it is because I believe so radical a reduction in those forms of earthenware that are already pressing our own home production would be damaging to that great industrial interest in the United States that I shall feel constrained to vote against the amendment of the Senator from Georgia.

#### **Glass Needs Protection and Should Have It.**

*From the Congressional Record of May 11, 1909.*

NELSON W. ALDRICH, of Rhode Island. I think the average duties in the glass schedule are over 50 per cent; I think some of them are greatly above 50 per cent; but if any article manufactured in the United States needs Protection and should have it, it is glass. It is almost entirely a question of labor. They take the crude materials from the earth and expend a great deal of time and labor upon them up to the finished product; and the present rates of duty have been but fairly Protective. The importations are very large of all descriptions of glass and always have been. I think we are gaining a little upon the for-

eign production, but very little, and this industry is one of the industries which deserves our care and should have it to the extent of the Protection it needs.

Mr. HALE. The competition is intense.

Mr. ALDRICH. The competition is intense, in Belgium and in every other part of the world.

Mr. HALE. Let me ask the Senator from Nevada before he sits down what he proposes as a remedy by action of Congress for this remarkable disproportion between the prices of the manufacturers, with which we deal in a Tariff bill, and the prices that are afforded to the consumer by the jobber and at last by the retailer? One of the things that Congress is finding out—and in the end the people, the consumers, will find out—is that the burden of prices paid by them at their houses, in their families, for consumption have little relation to the system, which some of us mean to maintain, of Protection to the manufacturer. The immediate result of the Protective theory as applied to legislation is the Protection to the manufacturer in competition with foreign manufacturers. There is no schedule that shows this condition in so marked a degree, I think, as the glass schedule. Under it we manufacture by American labor, as American products, all the articles furnished to the people, which is illustrated by what the Senator from West Virginia has shown here.

#### *Tariff Has Little to Do With Prices Paid by Consumers.*

When Congress has done that and has reared in different parts of the country this manufacture and sustained it against foreign competition it has very little to do, and this Congress is finding out—I know that I am—as never before, that the prices which are paid by the consumer at his door, at his home, have very little to do with the rates that we establish. I do not know, and I can not by any process of reasoning of which I am capable reach that.

The Senator has said that Congress ought in some way to deal with this question of the amazing advance of prices, not with the manufacturer whom we sustain, but the middlemen,

the jobber, the retailer. Does the Senator believe that Congress can take that matter in charge and can prescribe rates at which articles shall be sold in the wholesale market by the jobber, and in the retail market by the retailer? Where is the remedy that the Senator would suggest? It is one of the points of enlightenment that is coming from this Congress that people will understand that, while the great system of Protection will build up these manufactures and protect us from inundation by foreign labor, it has very little to do with the prices that are paid by the consumer at his fireside.

#### **Enormous Disproportion Between Cost and Selling Price of Pottery.**

*From the Congressional Record of May 11, 1909.*

FRANK P. FLINT, of California. Mr. President, I am very glad the Senator from Nevada [Mr. Newlands] recognizes the truth of the claim of the Republicans that the rate of duty paid under this Tariff bill is not a material factor in the cost to the consumer of these articles. I desire to call his attention to one or two illustrations. I have a great many of them, and this is a very good time to put in one or two.

I call his attention to the cost of a 100-piece dinner set of Haviland & Co.'s make. It was invoiced to their New York house at \$5.77; packing charges, 46 cents; customs-house advance to make value, 58 cents; total \$6.81. The duty at 60 per cent is \$4.08, making a total cost of \$10.89. That set of Haviland china is selling in the city of Washington for \$36. There is a profit of about \$26 on those articles.

I call the attention of Senators to these articles to ascertain whether they think that a duty of \$4.08 on these articles is a factor in the price that is charged the consumer. There is \$25 profit difference in the price of that article over the price or cost to land in this country.

I call the attention of Senators to a number of other small articles. I take Japanese china ware. Blueprint cups and saucers pay a duty on a valuation of 3 3-4 cents per pair, including packing charges, paying a duty of 60 per cent or 2 1-4 cents per pair. These

goods sell in Washington at 35 cents a pair, or almost 1,000 per cent over the value at which they pay duty. The consumer pays 2 1-4 cents duty on a 35-cent purchase, or 6 3-7 per cent.

**Dutiable Price, 3 3-4 Cents; Selling Price, 35 Cents.**

The same proportion holds good on the following items: Plates, dutiable price, 3 3-4 cents; retail price, 35 cents each. Egg cups, dutiable price, 1 2-3 cents, sell for 15 cents each. A tea set, composed of teapot, sugar, cream, and six cups and saucers, cost 41 cents, with duty paid, and is selling in the stores in Washington for \$3.50. An article costing 41 cents is selling at retail for \$3.50, and these are the prices charged by the large department stores throughout the country. When you come to small places in Iowa, Kansas, Nebraska, and the Dakotas, the prices are from 20 to 30 per cent in addition to that.

Mr. HALE. And 50 per cent.

Mr. FLINT. And 50 per cent, as the Senator from Maine says.

I say, and I repeat, there is not an article in this china schedule where the duty is a factor in fixing the selling price to the consumer. If the Senator from Nevada, as suggested by the Senator from Maine, can find some way by which we can control the selling price of these articles after they leave the manufacturer, then there may be some solution of the problem; but we find the manufacturer making but a fair and honest profit under the Protective Tariff system, and yet the consumer is complaining of excessive charges, not by reason of the profit made by the manufacturer, but by reason of the excessive prices charged by the jobbing houses and the retail stores.

**Razors Cost \$3.95 per Dozen; Retail for \$2 Apiece.**

For instance, take the manufacture of razors. I have an invoice in my office now where the manufacturer charges \$3.95 a dozen for razors. The jobber in St. Louis secures a 2 per cent discount for cash in ten days upon that article. He jobs the article that costs him \$3.95, with 2 per cent discount in ten days, for \$9 a dozen. That is the transaction between the jobber and the

retailer. The retailer sells every one of those razors for \$2 apiece. In other words, the manufacturer in Connecticut sells one dozen of those razors for \$3.95, less 2 per cent for cash in ten days, and the consumer pays \$2 apiece for them, or \$24 a dozen.

Again, there is a great deal said in this country in relation to gloves. I can walk down here to any store in Washington and go in and ask the retail price of a pair of gloves, and for a glove that costs \$7.40 a dozen the ladies of this country are paying \$2 a pair.

So, Mr. President, it does not apply only to the china schedule or the glass schedule. The country, it seems to me, ought to be made to understand that this is not due to the manufacturer.

**Causes of Disparity in Prices.**

*From the Congressional Record of May 11, 1909.*

D. UPSHAW FLETCHER, of Florida. I desire to ask the Senator from West Virginia, and also the Senator from Utah whether the great disparity in prices between the manufacturer's price and the retail merchant's price to the consumer is not due in a large measure to two causes; first, that the manufacturer will not sell the manufactured article to the jobber until the jobber agrees with the manufacturer that he will not sell it under a given price to the retailer; and, second, that the retailer must agree with the jobber, before the jobber will let him have the goods, that he shall demand a certain price from the consumer. Is not that the situation?

Mr. SCOTT. No, sir; not at all. I will say to the Senator I have been forty years in the manufacture of glass, and I never in my life knew of any such contract or agreement—absolutely none.

Mr. FLINT. Mr. President, I am not prepared to say that there is any combination among the retailers of this country, but I am prepared to say that, in my opinion, the retail merchants of this country make a greater percentage of profit on their investment than is made in any other line of business in the country. It appears to me, when an article costs 41 cents to manufacture, and the retailer charges \$3.60

for that article, there is something wrong; and it is not the Protective Tariff system.

As I have said, there are a number of articles to which I have called the attention of the Senate as to which the duty is not a factor in the price of the article. It is either the expensive way of conducting the store, the enormous sums spent for newspaper advertisements, the high salaries paid to the clerks and managers of the business, or whatever it may be; but, nevertheless, the more excessive prices charged to the consumer are not based on the price of the articles on leaving the factories.

The cost is added after that point. If we had in this country absolutely Free-Trade on articles like Haviland china, the price would not be materially reduced, in my opinion, but it would be just as it is to-day, charged with \$25 profit on a set where the article costs about \$11 a set.

If the Senator believes there is a combination of the retail stores throughout the country—

Mr. McLAURIN. I have denied that.

Mr. FLINT. I am not prepared to say whether or not it is true; but the Senator can find out whether it is so by going to any store in his own State and buying an article such as glass-ware, crockery ware, gloves, or cutlery. If he will bring that article to me, I will show there is upon it a profit of from 70 to 100 per cent between the cost at the port of New York and the price at which it is sold to the consumer.

### Suit of Clothes Sells for \$75; Materials Cost \$12.89.

*From the Congressional Record of May 11, 1909.*

FRANK P. FLINT, of California. Mr. President, the Senator from Mississippi [Mr. McLaurin] a moment ago called attention to clothing. I have an illustration as to clothing, to which I thought I would call his attention, which shows, as I contend, that even with woolen goods the duty is not a factor in increasing the price to the consumer. I understand that the cost of the cloth, bindings, and finishings of all kinds of a \$10 suit is about

\$2.25. Everything else in connection with it is labor. I will give as an illustration the very highest class of goods. I am told by the Senator from Utah [Mr. Smoot], who is an expert on woolens and the woolen schedule, that there is probably not a Senator in this room who wears a piece of goods that has cost as much as this. I want to call the Senator's attention to what the cost of the very highest class English goods would amount to. A full suit takes about 3½ yards. At a cost of \$2 a yard for the cloth, that would be about \$7.50. The duty on that cloth would be \$5.39. The total cost would be \$12.89. I am advised that there is not a tailor in the city of Washington of high class who makes a suit to order of the character of goods referred to in this illustration—

Mr. McLAURIN. The Senator must have understood that I was not speaking about a suit made to order, because then every suit would fit. I was talking about "hand-me-downs."

Mr. FLINT. I will refer to "hand-me-downs," too, if the Senator will permit me to finish the illustration.

Mr. McLAURIN. Every suit would fit the man, so that there would have been no hard stock. The Senator can not illustrate my proposition by referring to the people who wear tailor-made suits.

Mr. FLINT. I realize that the Senator from Mississippi and myself do not indulge in tailor-made suits. The materials in a high-priced tailor-made suit that costs \$12.89 to them would sell for \$50 to \$75 a suit. This same class of goods in the "hand-me-downs" to which the Senator refers costs from \$30 to \$40. Is the \$5.39 duty that is charged on that piece of cloth to Protect the American manufacturer a factor in the \$30 or \$35 that is paid to the clothing merchant for that suit of clothes, made from the very highest class of goods that is sold on the market?

Mr. McLAURIN. Will the Senator answer this question: How much is the Tariff on the ready-made clothing when it is brought in here ready-made? That is the way to get at that; not what the cloth costs, but how much is the price of the goods when they come in or the price of the goods when they are sent to the retail merchant.



Mr. FLINT. The cost of the class of goods to which I refer is \$12.89.

Mr. McLAURIN. That is, sold by the manufacturer?

Mr. FLINT. That is the cost of the cloth landed in this country.

Mr. McLAURIN. How much is the Tariff on it?

Mr. FLINT. The Tariff duty is \$5.39 and the goods cost \$7.50. It is the very highest class of goods put upon the market.

### When American Production Stops, Foreigners Put Up the Price.

*From the Congressional Record of May 11, 1909.*

REED SMOOT, of Utah. I was going to refer to the question of why we want a duty if things are so very cheap here, as suggested by the Senator from South Carolina [Mr. Tillman]. Let me give one particular case that I know of; and I know of many such cases. Take oxalic acid. It has been manufactured in Germany for years and years. It was formerly sold to the American consumer here at 9 cents a pound. A few years ago some gentlemen thought that they could manufacture oxalic acid in this country and sell it for at least 9 cents a pound. It was free of duty at that time. A manufactory was established. They began the manufacture of oxalic acid, but just so soon as the American manufacturer placed oxalic acid on the market the Germans cut the price to 8 cents. The Americans still manufactured it; so the Germans cut the price to 7 cents, and then the manufacturers here commenced to struggle, and did not know how long they could last. The Germans then cut the price to 6 cents, and the manufactories of oxalic acid in this country were closed. Just as soon as they closed up the American manufactories and had the American market, the Germans advanced the price to 8 cents and to 8½ cents; and when the Americans again started to manufacture oxalic acid, the Germans ran the price down to 5 3-4 cents a pound until they closed them up. That is why in this bill we propose a duty on oxalic acid to protect the American manufacturer from the German manufacturer. I can see now from past experience in the manufacture of this

one article that if a sufficient duty is not placed upon that article the Germans will produce it and charge the American people just as much as the American manufacturer could make it for and sell it in this country. That is only one case; but I can point to plenty, if you want them, right now.

### Under Protective Tariff an Article Has Decreased in Price from \$47.00 to 72 Cents a Pound.

*From the Congressional Record of May 11, 1909.*

HENRY CABOT LODGE, of Massachusetts. I merely wish to call attention to an example as to where the duty is always added to the cost of the article. One example is as good as a dozen. This happens to be a clear one.

The article saccharine, which is a coal-tar product, cost, in 1895, \$47.06 a pound. Owing to improved methods of manufacture and discoveries, it fell in 1896 to \$6.02 a pound, in 1897 to \$5.05, in 1898, after the Dingley rate was imposed, to \$3.72. Up to the time of the Dingley Tariff the duty was 25 per cent ad valorem. Under the Dingley Tariff a specific duty of \$1.50 a pound and 10 per cent ad valorem were put upon it. The price then was \$3.72; then \$3.83 in 1898.

Mr. McLAURIN. What commodity is that?

Mr. LODGE. Saccharine. It has fallen steadily from that time until today it is selling at 72 cents a pound. The specific duty alone is \$1.50; it has not been changed; but the article has gone steadily down until it is now selling at 72 cents a pound. As I have said, the specific duty alone is \$1.50, and where is it added?

Mr. McLAURIN. What is the necessity of a specific duty of \$1.50 a pound if it is selling for 72 cents a pound?

### When You Extinguish an Industry You Reduce World Competition.

Mr. LODGE. We have reduced it, of course.

I merely want to call the Senator's attention to the fact that under the Protective Tariff that article has decreased steadily in price, and it is now 72 cents a pound. When the duty was put on, it was \$5.05 a pound. It has

fallen to 72 cents a pound under the operation of the duty and the development of home competition. If you develop an industry in this country, you add to the world's competition. If you extinguish an industry in this country, the world's competition is just so much less.

Domestic competition has reduced that article of saccharine from \$5.05 a pound to 72 cents per pound. Of course the duty, being specific and ad valorem, has increased enormously, owing to the reduction of price. But the fact remains that the duty has not only not been added, but that we are getting for 72 cents what we paid \$5.05 a pound for when the duty was put on.

Mr. McLAURIN. The argument of the Senator from Massachusetts has the fallacy of all Protective arguments, and that is that it proceeds upon the idea of post hoc, propter hoc, a logic that is not worth anything in the world.

Mr. LODGE. That is all right, but it does not get rid of the facts.

Mr. McLAURIN. The facts have nothing to do in a thousand instances. The facts are that whenever you have competition you have a low price for an article.

Mr. LODGE. But the price was higher under the low duty than under the high duty. Where does the consumer suffer?

Mr. McLAURIN. If that be true, then there is no necessity for the high duty, unless the Senator from Massachusetts wants to break down all the industries, because their idea is to put up a high Tariff in order to protect the industry. Now, if a lower—

### *The Duty Is Needed to Develop the Industry.*

Mr. LODGE. The duty is needed to develop the industry.

Mr. McLAURIN. But if a lower duty will develop it better than a higher duty—

Mr. LODGE. It has developed it. The result is that instead of the consumer paying \$5 to the foreigner he now pays 72 cents. What difference does the duty make? You can make it anything you want. The importer can not pay \$1.50 specific duty per pound when it costs only 72 cents,

### **Content with a Tariff That Has Brought Prosperity to the American People.**

*From the Congressional Record of May 11, 1909.*

WILLIAM ALDEN SMITH, of Michigan. The Senator from Iowa says the difference between us is that I am ultraradical in my position and he is willing to be convinced. I desire to say to the Senator from Iowa—and I say it in the kindest spirit, and I say it as the result of my observations during this debate—that the difference between the Senator from Iowa as a Protectionist and myself is this: The Senator from Iowa feels that he is bound to redeem his promises to lower the Tariff and I do not feel bound by the same token. That is the difference. I am quite content with the Tariff that has brought such prosperity to the American people.

I voted for the Dingley law and I have never made an apology for it anywhere and I never will. It is not perfect, but the fruits are so bountiful that even the Senator from Iowa has picked them with liberality, and I refuse to admit that our party principle should be sacrificed for the purpose of preventing a possible monopoly of this product in the years to come.

Mr. CUMMINS. Mr. President, I am very glad I have given the Senator from Michigan an opportunity to recite the differences between himself and myself. I am not conscious, however, of having given him any cause to become quite so earnest in his denunciation of my position.

Mr. SMITH. The Senator from Iowa wants to reduce the Tariff on window glass, not because the exactions are too great under the present Tariff, not because there is no competition in it, not because wages are not what they ought to be, not because the price of glass is too high, but to meet a possible combination some time in the glass business. He wants to throw the markets of Europe and the market of our own country a little closer together. I do not want to do it. I want to keep them apart.

### *Keep the Tariff Where It Is in Order to Insure Competition.*

I think the very point the Senator

seeks to obtain is one that is most calculated to drive out competition among the glass makers of America. If he reduces the Tariff, he will frighten the independent investor and operators, and he will drive them into a combination to meet conditions in Europe that are most unfavorable. Therefore, I would keep the Tariff where it is for the purpose of keeping competition where it is, and the Senator from Iowa admits that competition is very fair and very helpful.

Mr. CUMMINS. Has such a duty prevented combinations in other fields?

Mr. SMITH, of Michigan. No; I think it has not; neither has Free-Trade. But the fact that it has prevented monopoly in this field is the thing we are dealing with now, and the thing we ought to deal with in the light of the information we have on this particular subject. When we reach some other schedule the Senator from Iowa may be able to point out a way to meet it.

Mr. CUMMINS. Does the Senator from Michigan believe that this specific duty has brought about the competition which now exists, and would not a duty of one-eighth of a cent higher or an eighth of a cent lower have done it?

Mr. SMITH, of Michigan. I believe it is this present duty which has created the competition and stimulated the industry.

### Should We Exclude Oriental Workers and Receive the Product of Oriental Cheap Labor?

*From the Congressional Record of May 11, 1909.*

SAMUEL H. PILES, of Washington. The lumber schedule of the pending bill is as important to the State of Washington as any schedule therein contained can possibly be to the greatest manufacturing State in the Union, because it vitally affects our principal industry. If lumber is placed on the free list or the duty thereon is reduced, as proposed by this bill, the growth and prosperity of Washington will be retarded to such an extent that I am unwilling to let the subject pass without calling the attention of the Senate to the injustice that threatens my State.

If the proposed reduction would result in material benefit to the people of the country, an entirely different question would be presented; but, instead of being beneficial, the reduction would be injurious, not alone to those engaged in the business, but to the people of the United States as a whole.

A great deal has been said by the Senator from North Dakota [Mr. McCumber] and the Senator from Minnesota [Mr. Nelson] in respect to the difference in the cost of producing this material in Washington and in British Columbia. I think that I can convince any fair-minded man that it is impossible for the lumbermen in Washington to compete with the British Columbia manufacturers on even terms. There are two reasons for this—the lower cost of stumpage across the line in Canada, and the employment there of the cheapest grade of Asiatic laborers. Of the lower cost of stumpage I shall speak later. As to the oriental labor, which free lumber advocates would bring into direct competition with our American workingmen, permit me to call attention to the policy of this Government in preventing the Orientals from coming here to vitiate the home labor market and inject their peculiar racial characteristics into our body social.

If that policy be sound—and I assume that it is conceded to be sound—then upon what economic theory or according to what doctrine of sociology would Senators justify the bringing here of the essence of that cheap oriental labor—the concrete product of their handiwork, to be thrown into competition with the output of our own citizens?

I desire to emphasize this point, to impress it upon the comprehension of Senators, to advance it as essential in this discussion. The cardinal principle of the Republican doctrine of Protection has been to

### *Conserve the Interests of the Man Who Works with His Hands*

as well as with his head—the laboring man. And I ask again, by what processes of logic shall you justify the bringing into this country of the labor product of a class of people whom our Government in its wisdom has seen fit to exclude, the while we say to the in-

dividuals in that class: "You yourself may not come. You may come in the form of your finished effort; you may compete with our people; you may lower the wage of our working-man; you may compel our laborers to accept less than that which our concept of civilization accords to the producers of our national wealth, but you yourself may not come."

We shall not lightly engage in legislative changes to cut off any portion of this magnificent share of labor in this great industry without reducing by that much the sum total of our American laboring man's ability to uphold our social system and maintain himself as our self-respecting workers should be maintained.

Imagine a propagandist standing here with a proposal to legislate so that the farmers of the prairie States should be materially reduced in their annual revenues, so that they would be compelled to accept less than foreign farmers might receive more, and tell me how welcome a hearing he would have from the Senators who here have demanded reduction in the duty on lumber.

Upon what theory of right does the Senator contend that the million people in the State of Washington, for instance, should stand idly by and watch the forests grow, not for their benefit, but for the benefit of future generations, while they suffer themselves?

Why should 110,000 men be thrown out of employment, to walk the streets, instead of being permitted to work?

***Why Should the Commerce and the Business of the People of the Pacific Coast be Crippled or Destroyed That Trees May Grow for Future Generations?***

How would the Senator from North Dakota [Mr. McCumber] feel if I should say to him that the agricultural lands of his State are not yielding quite as much per acre in wheat as they formerly yielded; that his lands should remain idle for a number of years so that they might have rest and produce more wheat per acre later on, and in the meantime we should remove the Tariff on wheat, oats, and barley, and let Canada dispose of her cereals on the American markets now tribu-

tary to Minnesota and North and South Dakota? What would the Senator say to that? Would he say that I should vote for a law that would force such a proposition upon the farmers of North Dakota while Canada pours her wheat and oats into our markets? Certainly not. But he asserts that the people of the State of Washington should let their forests stand, when we have \$200,000,000 invested in our mills, and that those mills should remain idle or that their output should be reduced, while Canada comes into this country and usurps our markets.

***Would Strike Also at Our Ships and Sailors.***

There are, Mr. President, over 500 American vessels on the Pacific coast prepared to carry lumber. Do the advocates of free lumber realize that they are urging a policy which strikes not only at the laboring masses in the mills and forests, but also at our ships and sailors on the sea?

We pay our American seamen \$40 per month, and board, in the coastwise trade, which amounts to about \$55 per month. Chinese seamen are paid from \$8 to \$10 per month and board themselves. Japanese get about the same. Seamen on British craft get from \$15 to \$18 per month. It is well to know that it costs 33 1-3 per cent more to construct a ship here than in foreign countries.

Water competition is not serious now, because the Tariff of \$2 per thousand Protects us very largely in the California market, but when the canal shall be completed, it will be a serious problem for us to solve. We hope, upon the completion of the canal, to place our lumber in the markets of the Atlantic seaboard at a much less rate than that paid for the rail haul across the mountains, and thereby to reduce the cost to the consumer. All hope in that respect would be dispelled with lumber on the free list or the duty reduced to \$1 per thousand.

***Oriental Would Do the Work.***

Instead of employing our 500 ships and our 11,000 sailors in carrying American products to American markets through an American canal, Ori-

entals will manufacture a foreign product, Orientals will man foreign ships, and those ships will carry this foreign product to our markets, to the detriment of our labor, our mills, and our merchant marine.

We have long known the necessity of strengthening our merchant marine. Members of Congress have made efforts to encourage it, but failed. It has been left to take care of itself in competition with subsidized ships. It has made some progress, but it is now proposed not only to arrest that progress, but to strike it a blow, in an indirect way, from which it will take it many years to recover. This question is too serious to be passed over lightly. It is worthy of profound consideration.

I do not believe that the consumer will be benefited one penny if lumber is placed on the free list. I am of the opinion that the Canadian manufacturer and the wholesaler, and possibly the retailer, will absorb the amount of duty removed, and it is not improbable that the Canadian government would itself after a while absorb a part of the duty. Through this process of absorption the price of our lumber will be lowered at our mills and the wages of our working people cut, while the foreign product dominates our market.

Canadian manufacturers can easily drive us out of our domestic markets for low-grade lumber by reducing the price to the wholesale dealer in this country, and yet maintain the present price to the consumer.

#### **British Columbia Competition.**

Mr. President, the facts in this case call for relief. I have shown that British Columbia can manufacture both lumber and shingles cheaper than we can. She has the advantage in the price of labor, in the price of stumps, in the water freight rate. It must be plain to all that if the duty be removed our California market is doomed.

We have long tried to promote our merchant marine. There are over 500 American vessels on the Pacific Ocean, employing 11,000 men, prepared to transport lumber. Remove the duty from lumber and what do you do by way of encouragement to them? If upon the completion of the Panama

Canal you do not put them off the sea, and the seamen off the ships, you greatly cripple their business. This question is entitled to serious consideration. It involves a great deal more than a mere contest between stumpage owners, as the Senator from Nebraska [Mr. Burkett] seems to think. It involves the welfare of the 800,000 men employed in the lumber and shingle industries of the United States, as well as that of their wives and children. It involves our commerce on the sea. It touches the homes of half a million people in the State which I have the honor in part to represent.

In this view do you wonder that I press the subject upon the attention of the Senate?

#### **Six Hundred Per Cent Profit in Glass.**

*From the Congressional Record of May 12, 1909.*

REED SMOOT, of Utah. Right here in relation to the profit, I wish to say that I was rather interested in the matter of glass that was spoken of here last night. So I wired to New York and had an appraiser go to several of the stores in New York to find out what a 12 by 14 pane of glass, such as we were discussing yesterday, could be purchased for at retail in New York. The cost of that glass a pane, with the duty added and a large allowance for breakage, is 4 cents. The appraiser went to a picture-framing establishment and asked at what price he could buy a pane of 12 by 14 glass and he was told 15 cents. He went to one of the largest department stores in New York and asked what the same identical pane of glass could be bought for there. Mind you, it cost 4 cents. The price asked for it in the department store was 25 cents per pane of glass. That is not 33 1-3 per cent, but 600 per cent.

#### **If the Producer Is Not Prosperous, What Becomes of the Consumer Who Loses His Employment?**

*From the Congressional Record of May 12, 1909.*

STEPHEN B. ELKINS, of West Virginia. Mr. President, we are all con-

sumers, and many of us producers as well. I do not want to be ruled out of the class of consumers because I am a producer. If it were not for the manufacturers and the producers and their businesses, there are a lot of consumers who would not have employment or the means to purchase what they consume. We must make that distinction. If the manufacturer or producer is not prosperous or gives up business, what becomes of the vast army of consumers who are employed by producers or indirectly get a livelihood out of the producer's business? The consumers, if they are aggrieved, should fight rather the middleman than the manufacturer. The manufacturers and producers contribute to the business of the country, to its glory and its progress, and there is no just complaint that the manufacturer does not generally sell cheaply enough in the first instance. I admit prices may at times be too high. It is the middlemen generally who get the exorbitant profits, and if there is any legislation to prevent extortion complained of by consumers, let some one aggrieved make the move; but let us not complain on account of an abuse against persons not guilty, but rather the middleman.

### The Raid That Is Made by the Foreign Competitor.

*From the Congressional Record of May 12, 1909.*

EUGENE HALE, of Maine. Mr. President, there is no mystery about the application of the doctrine and theory of Protection as applied in the glass schedule. It is better illustrated in the glass schedule perhaps than in any other. The policy of Protection, as applied to the manufacturer in this country, and as illustrated in this schedule, is to save him on the one side from foreign competition. The price to the consumer is another question, with which I will deal later. But the American manufacturer of this great product, so largely used by the people, is up against the raid that is made by the foreign competitor producing the same article.

There never has been a time—and it is fortunate in considering all the sides of this question that there never has

been a time—when there has been such a raid of the foreign manufacturer and producer in his insatiate and natural desire to get at the great American market as there is to-day. It is not simply Oriental, it is not simply Japan, although that is a very great feature. But there has never been a time when, on the part of the German Empire, which is not only military and dominant in politics, but in business and in trade and industry, there was such a determination and predetermination to secure the immense American market as to-day.

The man is blind, Mr. President, who does not see that. Almost every manufacturer in this country is met by this determined invasion of our industries by the competing industries of Germany to obtain our market. That is one side of the question.

That is the one side. That is not the side of the consumer. That is another side, entirely distinct from that; and

### *The Policy of the Republican Party, the Policy of Protection,*

is to impose such duties as will be a complete and fair discrimination in favor of our labor in manufactures as against German and oriental labor; and the duties that we impose are meant for the Protection of the manufacturer in the great products that go to the people.

We have not yet come to deal with the consumer. That is another side. We are dealing now with the building up of manufacturing industries as against foreign competition. Every imposition in the way of duty is to protect our manufacturers. There never has been such a demonstration of the wisdom and beneficence of the Protective theory against foreign competition as is disclosed in the glass schedule.

I said yesterday that the wit of man can not devise a wiser system of Protection—not yet considering the consumer—against foreign competition than was disclosed yesterday by the junior Senator from West Virginia [Mr. Scott] when he brought forth the wares—glass—the different manufactures that under Republican Protection were manufactured in the establishments Protected by the Republican

policy of Protection. It was a revelation to me—the cheapness—and yet I knew as a Protectionist that that is what Protection does—that it builds up these great hives of human industry throughout our whole country and produces materials for the people at a cheaper rate than could in any other way be produced.

The presentation by the Senator from West Virginia of the glass products showed the result that under our system of Protection against the foreign manufacturer our manufacturers could produce for the people at a rate at which the article never could be sent to our markets if we gave way to the foreigner.

Then we meet the other side, and the Senator showed the result of Protection, how one article of general use among the people was furnished at 90 cents per dozen.

#### *The Patent Democratic Fallacy and Absurdity.*

Under our system of Protection against the foreign manufacturer that single article could be presented and distributed and sold to the American people at 90 cents a dozen, and then we come to the other side, and there is the Democratic fallacy, there is the patent fallacy and absurdity, that whatever rate is put on to protect our manufacturers from this foreign invasion is paid by the consumer.

I am very glad, Mr. President, that I had some hand in bringing out this, I will not say fresh, I will not say new, but this important and essential contribution to the whole controversy, and that is that the rate which enables the producer, Protected by the Tariff through the Republican party, to open his establishment and present his wares to the American people has no relation to the price that the consumer pays at his own door. The Democratic proposition is that whatever is added by the Tariff is paid by the consumer, and if anything has been shown by the discussion to-day and if anything is shown by the thorough investigation into the whole business of the country, it is that the rate at which the Protective Tariff enables the American manufacturer to present his wares to the American people has the least possible relation to

what is paid by the consumer at his own door. Ninety cents per dozen is the price of a single article of everyday production, a pitcher, and yet it is paid for by the consumer at his door at the rate of 50 to 60 cents for each article. And our Democratic friends say that that should be charged to Protection.

#### *Tariff Rates Have No Relation to the Prices Charged by the Manufacturer.*

I assert—and I assert that this discussion will disclose and in the end will bring to the mind of the American people the fact—that the rates which we establish for the Protection of these great industries, upon articles that are presented to the public, has no relation whatever to the prices that are charged by the manufacturer. It is the middleman, it is the jobber, it is the retailer, who puts on the price, and the citizen in Florida, the house-keeper in Missouri, the family in North Carolina, and the consumer in Wisconsin and Iowa are paying no tribute to the Republican policy of Protection, that builds up these manufactures, but are at the mercy of and are controlled by the prices that are charged to them by the middleman.

The prices charged are the prices—I had a controversy yesterday with the Senator from Nevada—charged by the middleman, the jobber, the retailer. I do not know that we can interfere with that. We have not yet a system of government, paternal as it is growing to be and reaching out and assuming functions that were never imagined by the fathers, that seeks to fix the prices which shall be paid by the man who ultimately consumes.

Experiments of that kind have been tried in other countries, and have always been failures. There is no possible way we can do that. But I am trying to help awaken the American people to the consciousness that the large prices they pay at their door are in no degree affected by the Protective Tariff that we lay in order to build up the manufactures of this country.

Some time, Mr. President, the people will realize this. It is a direct counter proposition and a direct contradiction of the Democratic fallacy that the rate imposed by Protection for the benefit of American manufacturers is all

charged to and paid by the consumer. A demonstration of how this works shows precisely the contrary.

### Tariff on Glass Has Resulted in a Reduction of Prices.

*From the Congressional Record of May 12, 1909.*

NELSON W. ALDRICH, of Rhode Island. Mr. President, the wisdom and efficacy of the Protective policy is nowhere better exemplified than in the article now under consideration. The window-glass schedule has always been one of the principal sources of attacks on the part of the opponents of the Protective policy. For instance, in 1890, when this schedule was before the Senate, the Senator from North Carolina [Mr. Vance], who then represented the minority of the Committee on Finance, made the following statement:

Mr. President, if it were possible in human ingenuity, to a rectified and enlightened conscience, to select the worst feature of this whole Tariff bill, I think it would be this one of glass, where such a great discrimination is made.

Against the American consumer.

Senator Vest, also a member of that committee, said:

Mr. President, there is not a single provision in this bill which has given rise to more complaint amongst the poorer classes in the country than the one now under consideration.

Then he went on to make a further statement. Both Senators claimed that a duty approximating 100 per cent ad valorem was imposed upon this article, and that the consumers of window glass in this country paid the duty.

This was in 1890, nineteen years ago. What has resulted since? At that time a large part of the glass used in the United States was imported. To-day, as the result of the Protective Tariff, all of the ordinary window glass used in the United States is made in the United States.

### *American Labor and Industry Have Captured the Market.*

American industry and American labor have taken from the foreign competitors the whole American market, practically.

What is the result on prices? The result has been a reduction in prices in this country, so that there has never been a time in the history of the country when window glass was sold to the consumer as low as it is at this moment.

Now, the question arises, perhaps, in the minds of some Senators, if this is so, why do they need any duty upon window glass? The paragraph now under consideration not only includes in its terms common window glass that is used by all the people of the country, but it includes also, by necessity, all the 10 by 15 glass, which is common crown or window glass, imported into the country, and it includes not only the low-priced but the high-priced goods. It includes goods, for instance, valued at 2 cents a pound and goods valued at 4 and 5 cents a pound.

The Committee on Finance have been trying to find some description which will enable them to separate that class of goods which are distinctly different in this one paragraph. The courts have finally decided that all kinds of crown and cylinder glass are included in the provisions of this first clause. Some of these are worth 4, 5, 6, and 7 cents a pound, while common window glass, as I said yesterday, is worth less than 2 cents a pound.

### *The Effect of the Duty Is to Prevent Dumping.*

I agree that there ought to be a difference in the rates on these two classes of goods. I think this must be apparent to everybody. But I insist further that the present duty of 1 3-8 cents per pound upon common window glass has not raised the price in the United States a single mill. I think that that is beyond dispute here, and that the only effect of the duty, if it has had any effect at all, was to prevent the dumping of the window glass of Belgium upon the United States and upon the American producers at times when there was an excess of production over demand in the foreign countries.

The history of American industry is full of cases where duties have been levied and are levied above the difference in the cost of production here and abroad. Those duties have had no deleterious effect



upon the American consumer. The law of supply and demand, to which the Senator from Oklahoma [Mr. Gore] has just alluded, and free competition in the enterprise and industry of the American manufacturer have kept the prices down to the lowest possible level. That is the contention of the Protectionists.

### An Industry with Strong Claims for Protection.

*From the Congressional Record of May 12, 1900.*

GEORGE T. OLIVER, of Pennsylvania. Mr. President, with the permission of the Senator from Nevada, I can say that the window-glass factories running in the United States to-day are not making anything like a fair return on the investment. The reason why they are not using all the duty that is placed upon the different sizes is that, by reason of the competition among themselves, they can not get a sufficient price to compensate them for the amount that they pay out.

I have some knowledge and some little feeling upon this subject, because within four years I invested no small amount of money in a window-glass factory; and I tell you, Mr. President, it disappeared as rapidly as if I had put it on the wrong number at Monte Carlo. It did not last two years. At the end of the first year there was a bad statement submitted to the stockholders. They contributed more money. At the end of the second year there was not only no prospect of profit, but there was a heavy loss, and no promise for the future. The creditors now have that factory, and it is closed up. The manufacturers of window glass to-day are the hewers of wood and the drawers of water in the industrial world of America. They are making no money, and they have no prospect of making money.

### A Trust Without the Power of Control.

Some allusion has been made to the danger of a trust being formed. As the Senator from Iowa [Mr. Cummins] said yesterday, there was a combination of window-glass manufacturers in 1900 or 1901. It is in existence to-day.

At the time it was organized it comprised practically all, or nearly all, of the window-glass manufacturers of the country. Within three years there were in the field enough independents to make as much of the product as the product of the so-called "trust." While that company is in existence to-day, while it is going on in business, and has the advantage of the sole ownership of the window-glass machine patents, its securities are so low that they are not even quoted on any stock exchange. I will not say that it is bankrupt, but it is so hopelessly involved that no stockholder can sell even his preferred stock at 10 cents on the dollar.

I submit, Mr. President, that the Senators who attack this paragraph of the Tariff bill have chosen the poorest of all the great industries of this country to attack. If it does not need the Protection it has now just at this time, the manufacturers have hope that at some time in the future the demand for their wares will be such as to enable them to charge the consumers sufficient to give some little return on their investment. I hope—I beg pardon of the Senator from Nevada for trespassing upon his time, for I had expected to say this much in my own time—but I hope that when we come to vote on this paragraph we will bear in mind that, while all of the duty on this product and on other products may not be required just now, we should not allow the specter of a trust or the fear of a combination to lead us to so lower the duty that just as soon as the manufacturers begin to have some profits in sight, the foreigner will come in with his wares and deprive the American manufacturer of almost any profit or any reasonable business return.

### Difficulties Attending the Task of Obtaining Accurate Information.

*From the Congressional Record of May 12, 1900.*

COE I. CRAWFORD, of South Dakota. Does the American owner or producer of a certain article of commerce need Protection? If so, what rate will not be so high as to be prohibitive, nor yet so low as to discourage and depress him? How and where

and when is the evidence to be procured from which to determine all these things? Is it to be received *ex parte* and from the beneficiaries only? Is it to be collected from voluntary witnesses during the hearings of a committee of Congress holding all its sessions in Washington and covering the period of only a few weeks? These are really the serious and perplexing questions connected with the system of raising revenues by customs duties.

Assuming that the Tariff imposed upon articles which can be successfully produced in this country should be such an amount as will equal the difference in the cost of production at home and the cost of production abroad, allowing a reasonable profit to the American producer, according to the rule declared in the Republican national platform, it must be admitted that a higher rate than this is excessive and unjust to the consumer.

In the very nature of things the difficulty is found in procuring the necessary testimony from disinterested and reliable sources upon which to apply the rule. I have read much of the testimony taken at the hearings of the House Committee on Ways and Means, and believe I am justified in saying that nearly all the witnesses who gave testimony there appeared as special pleaders, directly interested in the particular schedule about which they desired to be heard and concerning which they testified.

The impression left on one's mind, after reading this testimony, is that it is unsatisfactory, highly colored, one-sided, and far from convincing.

#### *Should All Be on the Free List.*

In my humble opinion, a duty upon lumber, oil, iron ore, and coal is harmful in its effect and is against sound public policy, because these natural resources lie at the foundation of our industrial life and are as necessary to its sustenance and support as the air we breathe is necessary to sustain human life. A Tariff upon these natural resources can have but one effect, and that is to check the use of that part of the world's stock lying beyond our borders and to hasten the exhaustion of the supply we have at home.

### **From the Foundation of the Government a Protective Duty Has Been Laid Upon Iron Ore.**

*From the Congressional Record of May 13, 1909.*

JULIUS CAESAR BURROWS, of Michigan. Mr. President, in the course of the remarks of the Senator from South Dakota [Mr. Crawford] yesterday, I gathered the impression that the Senator is opposed to the pending amendment of the Committee on Finance restoring a duty on iron ore. It is my purpose at this time to make some observations upon the restoration of duty on iron ore as proposed by the Senate bill.

Under the existing law, the rate of duty on iron ore is 40 cents a ton. The House bill removes that duty and puts the product on the free list. The Senate committee, in its desire to conform to the general purpose of the committee to reduce duties wherever it can be done without injury to the American industry and American labor, proposed the amendment reported, to wit, a duty of 25 cents a ton on iron ore.

A duty on iron ore has always been a fruitful source of revenue. From the foundation of the Government, under all parties, revenue or Protective, a duty has been imposed upon iron ore. I propose to submit at this point a table, without reading, asking to have it inserted in the Record.

This table shows that under the Tariff of 1789 iron ore bore a duty of 5 per cent, and there has never been an hour from that time until the present when a duty was not levied on iron ore for the purpose of securing the needed revenue for the support of the Government. Even the Wilson law, which was intended to be a decided step toward Free-Trade, imposed a duty of 40 cents a ton on iron ore.

It appears from this that a duty has been levied upon iron ore from the foundation of the Government. It is now proposed to take the rash step not to reduce the duty, but to remove it entirely, and expose this industry of our mines and their workers to the unrestrained competition of foreign countries.

But in addition, Mr. President, to the loss of revenue there are other con-

siderations of the highest importance. This duty imposed on foreign ores has resulted in the development of an important industry in the United States, which I am quite sure the Senate will not wholly disregard.

#### *How the Industry Has Developed Under Protection.*

It appears from the official tables that this industry of iron-ore mining exists to-day in 29 States and Territories of the Union. There have been opened and developed 525 mines, producing in 1907, in round numbers, 52,000,000 tons of iron ore, valued at \$132,000,000. These industries exist, as appears from the table, in Minnesota, Michigan, Alabama, New York, Wisconsin, Pennsylvania, Montana, New Mexico, Nevada, Utah, Wyoming, Tennessee, Virginia, New Jersey, Georgia, Arkansas, Texas, Missouri, North Carolina, and other States, showing that these industries are established in 29 States and Territories, and that there was a yield of ore of 51,720,619 tons last year, valued at \$131,996,147.

The extent and value of this industry, existing as it does in 29 States and Territories, is very important. The number of mines opened and in operation in 1902 was 525; operators employed, 332; the number of officials, 2,405; their salaries, \$2,113,230; the wage-earners number nearly 39,000; the wages paid amount to \$21,531,000; miscellaneous expenses, \$8,000,000; supplies and materials, \$35,000,000; and the value of the gross output more than \$65,500,000.

In 1902 the output was over 35,000,000 tons, and in 1907 over 51,000,000. Based upon this increased tonnage, it is fair to assume that the wage-earners have increased to-day to 56,000 and their earnings \$31,500,000.

#### *Importations Would Supplant the Domestic Ore.*

The volume of ore in Cuba is practically inexhaustible; and whether it is in the hands of one corporation or another, or of an individual does not matter in this connection. I show this for the purpose of demonstrating that to open our ports to the free importation of ore means the impairment if not destruction of the iron-ore indus-

try in every State in this Union where it exists.

Mr. CUMMINS. I desire to ask this question, if the Senator from Michigan will permit: Does he believe that, with free iron ore, taken in connection with the cost of production in Cuba which he has indicated, Cuban ore could supplant Lake Superior ore at Pittsburg?

Mr. BURROWS. It would lessen materially and restrict the market for our ore, if it did not entirely close our mines. A large body of our citizens is engaged in this industry in Michigan. All they have on earth is there; they are living in their own homes, built from the fruits of their own toil. Many of the mines are 2,200 feet deep; and they mine this ore and bring it to the surface, and by their toil day and night have accumulated, as I say, all they have in this world. Now it is proposed to cripple this industry, because, forsooth, to continue it is going to lessen our natural supply of ore, which, as I have already shown, will be exhausted in a little over six thousand years. This is done under the pretense of conserving our natural resources, and sometimes upon the plea of free raw material; but the humble miner, who, in the caverns of the earth, brings forth the ore to the mouth of the mine presents to the manufacturer not a raw material, but his finished product.

It will be a sad day for this Republic and its industries when the iron mines, the mines of lead ore, the marble quarries, and all the natural resources of this country, from which we draw the raw material to make our manufactured products, shall be closed, whenever we find some place on the globe where quarrying is cheaper, where mining is cheaper, where labor is cheaper, and thus cripple our own industries and deprive our own people of employment while we pay tribute to foreigners. The Protective system touches not only to the manufactured products, but it compasses the raw material in the earth as well, strengthening and nerving the arm of labor to bring it forth for the uses of mankind. I therefore, Mr. President, insist that the amendment proposed by the Senate Committee on Finance ought to prevail.

### Fears that a Trust Would Be Benefited.

*From the Congressional Record of May 13, 1909.*

ISIDOR RAYNER, of Maryland. Mr. President, I have not the slightest doubt in the world that the United States Steel Corporation, if that is its corporate name, absolutely controls the product, and it is the corporation that is contesting a reduction of the duty. I do not think for a moment that the Senator from Michigan, however, is representing the steel corporation in any capacity whatever. I think he is representing the industries and the interests of his own State, and I find no fault with him. But I am absolutely satisfied in my own mind that the United States Steel Corporation is fighting the placing of these ores upon the free list, and would like to have a much higher duty even than the Senate committee proposes to give.

### Speaks for the Thousands of Miners Working Underground.

Mr. SMITH, of Michigan. Mr. President, I thank the Senator from Maryland very much for his kindly reference to my position, and to bear it out I want the Senate to know that not an officer, stockholder, member, or other person interested in the ownership of the steel company has ever written or spoken to me about this subject. I speak for the thousands of miners now working underground, whose little homes and daily vocation is bound up in this great industry; for the thousands of wage-earners who make up the cities in northern Michigan and from whose comfortable, happy homes is radiated all that is purest and best in American life. These honest, hard-working men have met in general convocation and asked the Representatives and Senators from Michigan to help retain their employment, and as a public servant I am proud to obey.

### Protection for Iron Ore a Question of Wages.

*From the Congressional Record of May 13, 1909.*

GEORGE T. OLIVER, of Pennsylvania. Now, Mr. President, upon the question of labor. The Senator from

Iowa [Mr. Dolliver], in the phillipic which he delivered a week ago against the United States Steel Corporation, said that the wages paid in the Lake Superior region were very low; he said he thought the wages were about a dollar and a quarter a day. I think I quote the Senator correctly. If I had had the figures at hand at that time, I would have interrupted the Senator. I have since been informed, and I find that the minimum rate of wages paid in the mines of Minnesota and Michigan ranges to-day are from \$2.44 a day to \$2.51 a day; that in 1902 they ranged from about 12½ to 20 per cent less than that, but there have been successive advances which have brought them up to the present rate. So the minimum rate is just about twice the amount that was estimated by the Senator from Iowa.

The Senator from Michigan [Mr. Burrows], in his address this morning, stated that the wages paid in Cuba amount to about \$1 a day. So the American miners have to stand the difference between \$1 a day and, say, \$2.50 a day, and they should be Protected to that extent.

### Would Be an Indirect Advantage to the State of Minnesota.

*From the Congressional Record of May 13, 1909.*

KNUTE NELSON, of Minnesota. I believe in fair play. We do not need this Protection in Minnesota. It is a small matter. It amounts, in respect to Cuban ore, to only 20 cents a ton. We do not need this Protection for our mines on Lake Superior; but it may be of some help to the competitors of the Steel Trust on the Atlantic seaboard, and I, for one, am quite willing to give them that advantage in order that we may have competition. That is the way I feel about it. I shall not attempt any revolution if you make the duty 20 cents a ton; but I think, if we want to build up independent competitors of the Steel Trust, we ought to give them this ad-

vantage; and the people of Minnesota are perfectly willing to give the independent concerns east of the Allegheny Mountains this slight benefit and advantage. I hope some of the representatives from other parts of the country, when it comes to other properties, will feel as generous as do the people of Minnesota.

Mr. ALDRICH. Mr. President, I understand the Senator from Minnesota to say that this duty would not hurt the people of Minnesota anyway. So this is a gift that may possibly benefit the people of Minnesota.

Mr. NELSON. It will indirectly be an advantage to the State of Minnesota. If the Senator is very inquisitive, I will say it would be an indirect advantage to the State of Minnesota to this extent: It is to the interest of the State of Minnesota, as it is to all parts of the country, that the great Steel Trust shall have a competitor in this country. If we can stimulate and keep up competitors who are independent of the Steel Trust by this little gift, why, in God's name, not give it to them?

#### *Protection for All, Not Protection in Spots.*

Mr. GALLINGER. Just a word, Mr. President. In early days New Hampshire did some mining of ore; but it was long ago abandoned. It was in the White Mountain region; and there is a very charming history connected with it that I shall not rehearse.

I have no interest in this question so far as my people are concerned, unless free iron ore should give a benefit to our manufacturers; but I am not here, Mr. President, representing the interest of New Hampshire or New England.

The Senator from Minnesota says "Our iron mines up there do not need Protection." Mr. President, I am not going to vote for "up there" on any schedule in this bill. I am going to vote for what I think is for the best interests of the people of the United States. I am a Protectionist, and, as such, it will give me great pleasure to vote to put a duty of 25 cents a ton on iron ore. I only regret that the duty fixed by the Senate Finance Committee is not the duty which is in the present law.

### **By Throwing Down the Tariff on Iron Ore Two Great Interests Would Be Strengthened.**

*From the Congressional Record of May 15, 1909.*

WILLIAM ALDEN SMITH, of Michigan. All of the ore that has been received into this country from Cuba has come from Santiago, about 587,000 tons. The duty on that is very small, but in the Province of Cardenas, where Mr. Schwab and the Pennsylvania Steel Company own these ore deposits, they say, in their own sworn testimony, that the deposits are greater than on the Mesaba Range, and that the quality is better than the iron on the Minnesota Range. Suppose we open the door and let this ore in without restriction. Suppose there is now taken from the Mesaba Range 26,000,000 tons of ore a year. Suppose you throw the bars down and that there is received from Cuba 10,000,000 tons of ore, the supply necessary for the Bethlehem and the Pennsylvania Steel Company's works. What would be the duty that this Government ought to collect upon this ore from Cardenas? On the basis of the present amendment it would be \$2,500,000. On the basis of the present Tariff it would be \$4,000,000.

Mr. Schwab says they own that iron ore, and that they can get it here 32 cents a ton cheaper with the duty off than they can get it now. He also says that they can put the Cardenas ore into the Pittsburg market at the same price as the Lake Superior ore now, with duty added. Then why should we put into the hands of Mr. Schwab two and one-half million dollars of duty, at 25 cents a ton on 10,000,000 tons of Cuban ore, when we need the revenue to run our Government? Does any Senator here wish to make a present to poor Mr. Schwab of two and one-half million dollars a year?

#### *Removal of Duty Would Not Break Down Monopoly.*

The Senator from Texas [Mr. Culberson] said this afternoon that if he believed that the removal of the duty would insure competition, he would favor its removal, as he wanted to break down this monopoly. Mr. Presi-

dent, Mr. Schwab, in his testimony before the Committee on Ways and Means, said that he was a stockholder in the United States Steel Company. Every man in this Chamber knows that he was once the president of that company.

The testimony shows that he took pay for the Carnegie steel plants in the bonds and stocks of the United States Steel Company, and there is no evidence to show that he has disposed of them. If Mr. Schwab owns the Cardenas mines and the Steel Company owns 45 per cent of the Lake Superior and Mesaba mines, by throwing down the Tariff you join and strengthen these two interests. That there is a certain community between them there can be no doubt; and if the Government is willing to hand over to Mr. Schwab the duty that we ought to collect from him for the benefit of all the people of our country, I mistake the temper of the Senate.

### Tariff Duties a Hundred Years Ago Were More Nearly Prohibitive Than Now.

*From the Congressional Record of May 14, 1909.*

THOMAS P. GORE, of Oklahoma. I merely desire to say to the Senator from Mississippi that the first act passed, to which the Senator from Rhode Island refers, leveled an average duty of about  $7\frac{1}{2}$  per cent. The general rate was 5 per cent. Some duties ranged a little higher than that; up to 15 per cent.

Mr. ALDRICH. If the Senator from Oklahoma will study economic history a little further, he will find that  $7\frac{1}{2}$  per cent under conditions then existing was higher than any Tariff that has been imposed in this country since.

Mr. GORE. Many of those duties were specific. On shoes, for instance, it was  $7\frac{1}{2}$  cents a pair, nothing like so high a rate as is imposed now; and if the Senator from Rhode Island is willing to return to the example and the precepts of the fathers, I have an idea he will find a good deal of company on this side willing to return to their standpoint.

Mr. ALDRICH. I want to say, in further answer to the Senator from

Oklahoma, that the duties imposed by those early acts were more nearly prohibitory in their character than those of any act passed since; and that can be established historically beyond question.

### Flood of Denunciation Poured Out against the Finance Committee.

*From the Congressional Record of May 14, 1909.*

JACOB H. GALLINGER, of New Hampshire. Mr. President, during my term of service in this body I have never witnessed anything like what has occurred in this debate during the past month. The flood of denunciation that has been poured out against the committee which has had charge of this bill, and especially against the distinguished chairman of the committee, I think is unparalleled in our recent history. It may serve the purpose of some Members of this body to indulge in that kind of vituperation, but I submit it is not serving the interests of the people of the United States, and it is not doing any good so far as this body is concerned.

I have been astounded, Mr. President, that the Senator from Rhode Island has been able so to conduct himself as to treat with kindness, courtesy, and patience the attacks which have been made upon him. He has a better temper, a better disposition, than some of us have or he would have struck back in different fashion from what he has.

### The Old Fallacy that Tariff Rates Are Added to the Cost to the Consumer.

But, Mr. President, I wish to occupy a few minutes of the time of the Senate on another matter. I am not taking much time in this debate, but I wish to call attention to one thing which has been insisted upon here over and over again and that has gone out to the country without being challenged. I recall the circumstance that the distinguished senior Senator from Georgia [Mr. Bacon] in a very fervid address charged that the duties levied upon the consumers of the United States under this Tariff bill would amount to at least two thousand million dollars; that is, that the duties under this bill would be added to the

cost of the articles that the consumers of this country had to buy. If I understood the paper aright that was read at the desk a little while ago and ordered to be printed as a Senate document submitted by the honorable Senator from Mississippi [Mr. Money], the same accusation was made—that the duties levied upon these steel products were added to the cost of the articles to the consumers of the United States.

Mr. President, there never was a greater fallacy on earth than the fallacy stated on this floor; and that was stated, if I understood it correctly, in the article the Senator from Mississippi sent to the desk, that the Tariff rates are added to the cost of the article to the consumer. It is a very old fallacy. It has been exploded over and over again, and I confess that I have thought it hardly worth while to dispute it during this debate. For that reason I have not made any suggestion about it until this moment.

***A Hocus Pocus That the Tariff Had Nothing to Do With.***

Mr. TILLMAN. Without undertaking to explain exactly how or why it should be charged up to the Tariff, I will simply call the attention of the Senator to the fact that some days ago the Senator from West Virginia [Mr. Scott] gave a very interesting exhibit of glass. He said that while the manufacturer would sell those pitchers at 90 cents a dozen, somebody, some malefactor somewhere, was charging the poor people, the consumers, 25 cents or a dollar apiece for them. They varied in price from \$3 a dozen to a dollar apiece. How did that hocus-pocus come about if it was not due to the Tariff?

Mr. GALLINGER. I will say to the Senator that, in my judgment, the Tariff had nothing more to do with that than any other impossible thing that the Senator can conceive of. The fact is it was shown that under a high Tariff we are making in this country pitchers selling at 90 cents a dozen, and before we had a Tariff, and when we were being supplied with pitchers from abroad, we were paying six or eight or ten times as much as we are paying for them now.

Mr. TILLMAN. I will leave the Senator to wrestle with that problem.

***How Protection Reduced the Cost of Steel Rails.***

Mr. GALLINGER. It does not need any wrestling with. It speaks for itself. There was a very distinguished man in the other House before my advent to that body, a very distinguished Democrat. He was a Protectionist—Mr. Randall, of Pennsylvania—and in 1883 Mr. Randall, in a speech in the House, demonstrated that steel rails cost in this country \$30.03 a ton at that time, and I presume Mr. Randall was correct in the figures he then presented.

Mr. President, the Tariff on steel rails at that time was \$17 a ton. So if the Tariff rates are to be added to the cost of the article, those steel rails ought to have cost \$47 a ton, but the fact is that at that time steel rails were selling in this country at \$35 a ton. So it is absurd to talk about the duty being added to the product.

It is within the memory of some gentlemen in this Chamber when we were paying in this country \$150 a ton for steel rails.

Mr. DEPEW. One hundred and seventy dollars.

Mr. GALLINGER. Yes; I recall that we were paying \$170 a ton; and it is still fresh in the minds of some men younger than I am when we were paying \$60, \$70, and \$80 for steel rails. But that was before we put a Tariff of \$27 on steel rails; and when we put the duty of \$27 a ton on steel rails, and when Mr. Randall said they cost \$30.03 to make, they were sold in our market for \$35 a ton.

***Cost of Wire Nails Reduced by Protection.***

I want to make another illustration. I heard the words "wire nails" in the article read from the desk. That is an interesting theme for Protectionists. In 1882 there were made in this country just 50,000 kegs of wire nails. We were dependent upon foreign markets for all of our wire nails except the 50,000 kegs which were manufactured in this country, and the price for wire nails at that time was 8.35 cents per pound. We imposed a duty of 4 cents a pound on wire nails, the duty at that time being 1 cent. Under the duty of 1 cent we were able to make only 50,-

000 kegs of wire nails in the United States, and we had to buy from foreigners at 8.35 cents a pound all the wire nails we consumed except the 50,000 kegs which we made. What was the result?

If the duty was to be added to the cost of those nails, the 3 cents additional duty would have made the cost 11.35 cents a pound; and yet under the McKinley Tariff law, with a duty of 4 cents a pound, we manufactured in 1901, in place of 50,000 kegs, 9,803,822 kegs, and they were sold in the American market at 2.45 a pound or less than one-third of what they cost when we were dependent upon foreign countries. So in 1901, under adequate Tariff, we were making 196 times as many wire nails as we made in 1882, and they were being sold at 30 per cent of what they cost in 1882.

#### *Reduction in Price a Never Failing Result.*

I want in these few minutes to get back to the Protection facts on this question, and to say to the Senate and to the country, if the country chooses to know the fact, that there is not one iota of truth in the declaration being made here in season and out of season that the duties that are levied upon foreign products are added to the cost to the American consumer. In a great many instances it has resulted precisely to the contrary, because when the foreigner has the market he does with us exactly as he did in regard to steel rails and wire nails; he fixes his own price, and the American consumer of necessity must pay that price. But when the foreigner is even partially excluded from our markets and American ingenuity and American enterprise and American capital are put into our industries, and competition results, then this great and marvelous reduction in price that has come to the American people on steel rails and wire nails is an inevitable and never-falling result.

#### **The "Made in Germany" Imposition.**

*From the Congressional Record of May 15, 1909.*

REED SMOOT, of Utah. I have an invoice of a razor here that cost \$2.50, and I have the receipted bill showing

what was paid for it. That razor was made in Germany. The very highest value of razors that are imported in this country, as you will notice by the estimate sheet, is \$4.79 a dozen. Here is a receipted bill for \$2.50 apiece. If you want the name of the firm, I can give it to you.

Mr. ALDRICH. I hope my colleague on the committee will not lose sight of what to me is the most striking part of this case. A large part of the razors that are imported in the United States are imported at a unit of value of 10 cents each, \$1.21 a dozen. Did anyone here present ever see a 10-cent razor or anything approximating a 10-cent razor?

Mr. SMOOT. I do not think that, or I would not ask for an increase of duty. Owing to the very fact that the labor in a razor is nearly 90 per cent and the very fact that the labor in Germany costs only about one-third what it does in this country, the present duty of the Dingley law will not allow the American manufacturer to manufacture razors in competition with Germany.

Mr. BEVERIDGE. I wish to ask the Senator just one other question. The Senator from Missouri stated when he offered his amendment that it was impossible to make a razor in this country as good as that made abroad. Can the Senator give any information upon that question?

Mr. SMOOT. Mr. President, the very fact that the cutlery of the United States is made here and made in a better blade is the reason why the American importers here import knives and cutlery from a foreign country and have stamped upon the blade with an asphalt mixture "made in Germany," and as soon as it comes over here they remove it from the blade. Why? Because it is not as good as an American knife.

#### *Flagrant Undervaluation of Cutlery.*

Mr. ALDRICH. Mr. President, I am willing to venture the statement—which I think can not be successfully contradicted—that the prices at which this and similar articles are imported into this country do not in any degree represent the real value of the article.

Mr. BAILEY. You mean the importer swindles the Government?



Mr. ALDRICH. I mean to say that there is the most persistent and flagrant undervaluation of cutlery and of all similar articles by the importer. Take this matter of razors: In the case of razors which are imported, valued at 10 cents apiece, 10 cents does not represent the real value of the razor and the customs valuation does not represent within many per cent the price which those razors are sold for to jobbers in this country, to say nothing about the retailer. I say that the import value does not represent the real value of the goods abroad.

### Determined Invasion into American Market of Foreigners, Especially the Germans.

*From the Congressional Record of May 15, 1909.*

EUGENE HALE, of Maine. Mr. President, what to me in this discussion is brought out more clearly than anything else, and which is extremely depressing, is the raid that has been made in the last few years by foreign producers, particularly those of Germany, to get possession of our markets for this product. The statements made by the chairman of the committee [Mr. Aldrich] and by the Senator from Utah [Mr. Smoot] show what the discussion upon every schedule in this bill has disclosed—the determined invasion into the American market of foreigners, and especially the Germans. I am not filled with much faith that in this instance the progress of that invasion can be arrested. It is a melancholy exposition that the manufacture of this important article in this country has been practically destroyed. If there is anything in the Protective system, the article should be produced by our labor, and we should be able to distribute it here to the jobber and the retailer at a fair rate.

Mr. ALDRICH. Assuming that the price fixed by the reports is the correct one, if it costs 10 cents to produce a razor in Germany and 20 cents in the United States, it will require 100 per cent duty to equalize the conditions in the two countries. That does not mean that it does not cost anything to produce a razor in Germany, or that there is no labor involved in

the production of razors in Germany; but it means that it costs twice as much to produce a razor under equal conditions in the United States as it does in Germany. And so far as I am concerned, I shall have no hesitancy in voting for a duty which will equalize the conditions.

Mr. SMOOT. The total production of the razor manufacturing institutions of this country was \$140,000 in the year 1908, and of that amount about 90 per cent was paid in wages, which would be \$126,000.

### *How the Price from Producer to Consumer Is Enhanced.*

Mr. HALE. Nobody has arraigned the retailers as being in a conspiracy or as being robbers or as deserving of execration and reproach. But it has been claimed, and it will be discussed—it may be hereafter—that the course of trade is such that when a cheap article is put upon the market of the country by the manufacturers, the stages it passes through before it reaches the consumer from the wholesale dealer, the jobber, and the retailer enhance the price, in some cases more and in some cases less. But there has been no attempt to set up the claim that the retail dealer in the country anywhere is deserving of reproach as a man who is robbing the people. The prices that he asks are a part of the system of the trade, by which every article passes through one hand and then another, and in each case the price is enhanced.

All that I, or that any Senator who spoke of it, sought to claim was that the rate fixed by the Tariff upon the manufacturer had little to do with the price the consumer pays at his own door. That is not a new proposition. It is an old question.

Mr. SMOOT. I have not charged the retailer with any exorbitant profit any more than I charged the jobber. It is the different stages of handling the goods from the time they leave the manufacturer's hands until they reach the consumer. There may be one, two, or three handlings by jobbers and then one, two, or three from the jobber to the retailer. It is the whole system of trade that I spoke of in relation to the price of glass.

**Retailers Are Making Exorbitant Profits.**

Mr. FLINT. The Senator looks around to me when he speaks of injustice being done to the retailer. As far as any statement I have made in reference to the retailer is concerned, I reiterate it—I think no injustice has been done the retailer. In my opinion, the retailers of this country are making exorbitant profits. Many of the retailers who have been making exorbitant profits have taken pains to circulate the report that the high prices are caused by the Protective Tariff. This is not a fact. I think many of these articles that have appeared in the public press have been inspired by department stores. The effect of the articles has been to call attention to the fact that they are making extravagant and exorbitant profits out of their business. I want to repeat and reiterate what I have said on this subject.

I say that the retailers in this country have taken pains to circulate petitions in their stores asking that the duty on this article or that article be reduced on the ground that the Tariff upon the article made the high cost to the consumer. I want to say that in each instance where they have sent in these petitions the Tariff is not a factor in fixing the price, but it is the exorbitant price charged by the retailer, and a reduction in the duty would not reduce the price charged by the department stores and other retail stores throughout the country.

**Why Lower Prices for Export Are Accepted.**

*From the Congressional Record of May 15, 1909.*

ALBERT B. CUMMINS, of Iowa. The Senator from Pennsylvania has said more than once that the Protection we now have upon this commodity is inadequate. I should like to know how he explains the fact that during the year 1907 we exported nearly \$7,000,000 worth of this commodity and sold it in competition with the world, in the markets of the world, if our Protection is inadequate?

Mr. OLIVER. I can not explain that, Mr. President, except upon the theory that perhaps by reason of an

excessive desire to keep the mills running full the manufacturers in all probability cut the prices, perhaps below the cost of manufacture. I know that that is done sometimes. I know that I myself have done it. I have in my career as a manufacturer sold goods frequently below the actual cost of production in order to supply the surplus that would keep my establishment running full, and thereby enable me to give employment to all the men for whose well-being I felt myself responsible, and at the same time lower the cost of production to such a point as to enable me to meet all kinds of competition.

**Foreign Surplus Would Be Dumped Here at Low Prices.**

Mr. BACON. I will put it a little more simply, then, because I can not give the Senator entire credit for sincerity and candor in that reply. There is no man in this Chamber, and, I presume, very few on the whole North American Continent, who have a clearer view as to the intricacies of the Tariff than the Senator from Rhode Island. I do not pretend to approach even in sight-seeing distance of him in that regard, and for that reason I appeal to him for the information.

I do not know that I can express myself any more clearly, but I will try. The Senator said he apprehended that the reduction proposed in the steel schedule in this bill in the rates of Tariff would result in great injustice and injury, I think he said, to those engaged in the production of steel. The question which I desire to ask the Senator, and which I have attempted to ask him, is this: Is that apprehension on the part of the Senator based on the belief that the reductions proposed will result in cheaper steel to the consumers in this country?

Mr. ALDRICH. No; not exactly that. My apprehension was, that the steel producers of Germany and Belgium might at times throw into this country their surplus stock and sell it for whatever price it would bring here and put out of employment a large number of people engaged in this country in the same industry, and thus give to foreign labor the business

which ought to be given to American labor.

***Anything Which Invades the Market Is an Injury to the American Workman and to the People of the Entire Country.***

I say—and that is the same rule which applies to all Protective duties, and there is no question about it—that Protective duties are levied for the benefit of giving employment to the industries of Americans, to our people in the United States and not to foreigners. That is the whole question about it. Anything which invades that market, which we claim belongs to the American people by the highest possible right, especially if it invades it in a way which is not, perhaps, legitimate, is an injury to the American workman and, therefore, to American industry.

Anything which brings about an injurious reduction of prices in the United States, which puts American laborers out of employment and reduces the purchasing power of the American people, is not only injurious to the interests primarily affected, but is injurious to the people of the entire country.

***Would the Consumers Then Be Benefited?***

Mr. President, take a suppositious case of a man who is erecting a steel building in New York, who desires to have that work done, if you please, by the product of American industry. Some foreigner finds that he has a surplus stock and he comes over here and bids lower than any American can bid. The consumer in that case possibly gets a lower price—I have no objection to conceding that—but what is the general effect of it? One man gets a lower price to-day; but suppose the whole American people get lower prices than the article can possibly be made for in the United States, does the Senator, then, think that the consumers, as he calls them, are benefited? Suppose you destroy absolutely the iron and steel industry of the United States; are the American consumers to be benefited by that? Does the Senator suppose that prices would be kept down or that the minute that those foreign gentlemen had control of the American market that

the American consumer would not then have to pay more than he is now paying? I think so.

***Why the Tariff on Sewing Machines Should Be Retained.***

*From the Congressional Record of May 15, 1909.*

PORTER J. McCUMBER, of North Dakota. I will take occasion for just a moment's interruption upon a matter concerning which I thought I would speak to the Senator from Mississippi, and that is in regard to the revenue obtained from sewing machines and other machines, and the fact that we receive no revenue justifying us in placing them upon the free list. The Senator is usually conservative, but I must say that he has somewhat abandoned his usual attitude in these Tariff discussions. The Senator understands as well as I do that the same manufacturing companies have their branches and their manufacturing establishments in the Old World. I think the Singer Company, for instance, has one in London, has it not?

Mr. KEAN. They have one in Canada—

Mr. McCUMBER. Yes; and one in Berlin.

Mr. KEAN (continuing). One in Germany and one in Russia.

Mr. McCUMBER. And one in Russia.

Mr. KEAN. I should like to say to the Senator that they have an establishment in my town which employs nearly 9,000 people, and they employ in the distribution of sewing machines over the United States more than 50,000 people.

***Would Be Shipped Over Here and Throw Our Own Labor Out of Employment.***

Mr. McCUMBER. But, Mr. President, the point is that these machines are manufactured on the other side of the ocean and are supplying the demand on that side. If we place them on the free list, what do we gain by it? They will simply be manufactured there, shipped over to this country, and sold for exactly the same price that our manufacturers now sell them, and our laborers on this side of the ocean will be entirely thrown out of employment. I do not think there can be any question about that.

I do not believe, and I do not believe that the Senator thinks, that taking the duty off of those sewing machines would reduce the price a single cent. The only question is whether they shall be manufactured in this country for a given price, or whether they shall be manufactured by laborers in another country by the same manufacturers, brought over to this country, and sold in the markets of this country for practically the same price at which they are being sold today.

Mr. McLAURIN. I ask the Senator from North Dakota if he would be willing to vote for a Tariff of 10 per cent? He speaks of my conservatism and nonconservatism, and I have retrograded, according to the Senator from North Dakota, lately, but from the conservatism to which I had entitled myself in his estimation I want to know if I will be so conservative as to put the rate at 10 per cent if the Senator from North Dakota will support with his usual eloquence and ability a Tariff of that amount?

Mr. McCUMBER. I certainly would not.

Mr. McLAURIN. I thought so.

#### *Would Not Support a Low Tariff.*

Mr. McCUMBER. The reason I would not is that the difference in the cost of production at home and abroad, in my opinion, is fully 30 per cent; and that is the only Tariff we have placed upon the machines, about 30 per cent ad valorem. I believe that by taking off the 30 per cent you would probably close some of the factories on this side, and just to the extent they were being closed on this side you would necessarily transfer the manufacture to the same amount on the other side.

Mr. SMOOT. There is this question to be taken into consideration: I know that many of the manufacturers of this country sell sewing machines in carload lots at a very low rate. I know they have sold as low as \$19 apiece, and then they are retailed—that is, to the consumer, for \$60 or \$65.

I desire to call attention to the fact that that is on account of the way the business is done in this country, and it is never done the same way in a foreign country. The retailers have agents,

and they go from door to door. They sell the machine on time, and if they can get as the first payment what the machine cost they will take an old machine in exchange, and they will call it \$60 or \$65, the manufacturer having sold it as low as \$19. Does not the Senator know that these are absolute facts?

Mr. BEVERIDGE. I wish the Senator from Utah would make his statement again, because I was diverted and did not hear it. But I got the impression that the wholesale price wiped out that difficulty. If the difficulty can be disposed of, I should like to have the whole facts presented. So I ask the Senator from Utah to state it again. We were all diverted by conversation.

#### *In Carload Lots \$19; to the Consumer \$65.*

Mr. SMOOT. I now make the statement again, that the manufacturers of sewing machines in this country sell in carload lots at about \$19 apiece sewing machines that are sold to the consumer for \$60 to \$65; and I went on to explain why that was—the heavy expenses of men traveling from door to door and selling the machine at \$65, with a first payment made, and taking old machines at a high price. It is the system of selling machines in this country. It does not exist in a foreign country.

Mr. McLAURIN. Will the Senator allow me to ask him where he gets this information?

Mr. SMOOT. I get the information from the very fact that I have seen these invoices to institutions in my own State that have bought the machines in carload lots. So it is not the manufacturer; it is the mode of doing business.

#### **Free-Trade Brought on the French Revolution; Protection Saved France.**

*From the Congressional Record of May 18, 1909.*

CHAUNCEY M. DEPEW, of New York. The favorite method now of attacking the Protective principle is to proclaim loyalty to the principle of Protection and oppose its application.

The wool schedule gave to the Sen-

ate and the country one of the most entertaining addresses ever delivered upon this floor by the senior Senator from Iowa [Mr. Dolliver]. We are apt to think that wool is American as a political question. But wool created and then destroyed Florence and Flanders; impoverished and then enriched Great Britain. Without going into a general Tariff discussion, the history of wool is illuminating. In the middle ages the people of civilized countries were clothed in woolen garments. Wool and its manufactured products were the commerce of the world. England grew the wool and sold it to Flanders, where it was turned into the finished product. England did not have the machinery nor could she procure from the Papal states alum, a substance absolutely necessary in those days for the finishing of cloth. But in the reign of Elizabeth alum was found in sufficient quantities in England, and then began the Tariff legislation which we have inherited. England placed an export duty upon wool which made it impossible for continental nations to compete with her manufactures. She placed a Tariff duty which shut them out of her market.

When Lancashire, the greatest cotton manufacturing center in the world, demonstrated in a small way that it could make cotton goods, Great Britain prohibited the importation of cotton goods from India into England. Then the great English inventors, Arkwright and Hargreaves, gave to their country the perfected spinning jenny, and Great Britain controlled the cotton market of the world. Her own markets were closed to the foreigner, and the English statesmen saw that this little island, with its growing population which had come from manufactures, must find foreign trade. The greatest of English statesmen, Pitt, saw that the philosophers whose ideas created the French Revolution were controlling the policy of France.

#### ***Why Great Britain Took Up the Free-Trade Policy.***

Knowing that Great Britain, because of her cheap coal and because of her monopoly of inventions, could make woolen and cotton goods cheaper than France, he proposed to the idealists that there should be Free-Trade. The

proposition was hailed by the disciples of Rousseau and Quesnay as an approach to the millennium. In a few years every factory in France was closed. There have been many causes assigned for the French Revolution. Undoubtedly tyranny and bad government had much to do with it, but the French Revolution began in Paris, which was the manufacturing center of France, and then spread to the other manufacturing cities. It was the starving unemployed who had been driven from all occupations by the genius of the British statesman and the folly of their philosophers which more than anything else precipitated and prolonged the French Revolution. Then came the struggle by the Jacobins to support the people from the plunder of the nobility and the cutting off of their heads; then the plunder of the rich business men in every branch; then the plunder of the farmers, because they would not accept the worthless paper money.

A million lives were sacrificed by the French terror, of whom only 2,000 belonged to the noble class and the rest to the productives who still had a little property in their farms or in their small occupations and against whom was directed the rage of the unemployed who had got possession of the government. Then, when the revolutionists had guillotined each other, Napoleon came to the front. His first idea was that France could be supported by the plunder of the Continent, but that great original genius, when in supreme power, soon saw his mistake and built a Tariff wall not only around France, but around the Continent, and the reviving industries of his country provided the means for his wars and recruited, clothed, and fed his armies.

#### ***England Is Fighting a Losing Battle.***

Great Britain's control of the wool and cotton industries now is shared with Protective countries whose markets she formerly monopolized. She is fighting with them a losing battle in Asiatic markets, where all the world competes. Her great rival, Germany, with as good machinery and cheaper labor and an equal command of the raw materials, is entering the English market under that well-known econo-

mic rule by which manufacturers of every country, in order to keep their mills in operation and their men employed, sell the surplus practically at cost in other countries. This process is filling the English market and driving one industry after another to the wall. Great Britain is grasping slowly the economic fact that anything produced in another country and sold within her territory puts out of employment and reduces to public charity exactly the number of men in England who are employed in producing this article in Germany.

The unemployed wandering idly about the streets looking for any stray job, however poor it may be, to satisfy the pangs of hunger, see in the shop windows everywhere the things upon which they at one time worked and could make a good living for themselves and families, marked "Made in Germany." It is stated that there are to-day in Great Britain 7,000,000 of unemployed. How to care for them or furnish them support is the most anxious problem of the British statesmen. John Morley has stated in one of his speeches that at one time in the course of their lives 45 per cent of the workmen of Great Britain who have reached 60 years of age have been in the pauper class.

If England to-day had a Tariff which would equalize the cost of production with Germany, Belgium, France, and Holland, including fair wages to her people, she might again become not the workshop of the world, as she once was, but very much nearer to it than she is to-day. Anyway, she could hold her own.

#### *Believe in Protection, but Oppose Its Application.*

The eloquent and learned speeches which have been delivered here have developed a new kind of Protection. The new school believe in the principle, but oppose its application. Our Southern friends reject the principle of Protection, but believe in its application to their own products. I believe if a committee were appointed, composed exclusively of the Senators on our side who object most violently to this bill, that they would have more difficulty in agreeing with one another than it is understood our Democratic

Members had when they caucused the measure.

The Senator from Minnesota [Mr. Clapp], in a very eloquent and attractive address, feared that the Republican party was rushing rapidly and blindly upon the rocks because the pledge of the party and the expectation of the people were that there should be a general revision downward. In my judgment the pledge of the party and the expectation of the people are that we should do exact justice in this matter, upon every schedule in the bill, and upon every one of the 2,000 items which are affected. I believe that the practice of Protection, which has made our country what it is and our people what they are, has as firm a hold upon the electorate as ever. I believe that it is thoroughly understood and assented to by the masses that we should so arrange our Tariff policy as to constantly enlarge the area of production and employment within our own borders, and do it by imposing a duty which will equalize the cost of production, with due regard to the higher wage which we expect our artisans to have over those which prevail in countries in competition with us.

#### *What Free-Trade Did to Dundee.*

The city of Dundee in Scotland had a very large industry in the making from jute of cotton bagging. It was a monopoly. They made the bagging for the cotton, not only for the United States, but for all the other countries. Our manufacturers found that with a sufficient Tariff this bagging could be successfully produced in this country. It led to the creation in different States of some 300 mills with the employment of many thousands of people. The Tariff did not destroy the Dundee factories, because it was not high enough to prevent competition, and the Dundee factories still had other fields than the United States for their operation. But mills were established in India where labor was 30 cents a day, against 75 in Dundee and \$1.50 to \$2 in the United States. Great Britain being a Free-Trade country, the Dundee millers were bankrupted, and a large population added to the already increasing numbers of the unemployed. Now we are met with a demand to

wipe out our own mills and throw out of employment our own people in order to let in this cheap Indian production, with which it is impossible to compete except by Tariff Protection. Who would be benefited? There are no shrewder manufacturers and merchants in the world than the English, and they control these factories and are already in our market. When they have a monopoly the cost to the cotton farmer will be raised far beyond what he pays to-day and he will be utterly helpless. You may say he could escape that by again renewing the Tariff, but it takes hundreds of thousands of dollars to organize a mill, and capital after such an experience would never enter upon the uncertain sea of hysterical legislation.

I might cite a hundred instances where the changing conditions of production and of cost, as governed by wages, by hours, and by invention, make the rule of a revision downward simply the adoption of practically Free-Trade.

#### ***What Protection Has Done for This Country.***

What has been accomplished by Protection is happily instanced in our State of New York among many industries. Hats have built up a thriving city at Yonkers, and are building other industrial communities in other parts of the State. The Protection for men's gloves has created a community of 30,000 people and reduced the price from two and one-half to three dollars, as it was when England had the monopoly, to a dollar and a dollar and a half. Now, the great English manufacturers are moving to Gloversville. An equivalent Protection for women's gloves would lead in two years to the employment of 50,000 men to the destruction of the foreign monopoly and would give to our own people an article much cheaper and better than they have now. The same results have followed in a thriving community of 30,000 in the finishing of lumber at Tonawanda and corresponding results at Ogdensburg and other places. I might enlarge this list almost indefinitely.

No country can show figures like these: That since Republican Protection became a fixed policy the wealth of the United States has increased six

times, our foreign trade three times, the wages in our factories three times, our railroad mileage six times, our foreign commerce three times, and the value of our manufactured products seven times, our exports from 1897 to 1909, 300 per cent. Except for these conditions we never could have had our railroads carrying populations to the farms and productive possibilities carrying the factory near to the raw material; we never could have had manufacturing centers which brought the markets to the farmer's door; we never could have had the consumers, whose numbers and whose prosperity give the farmer his opportunity, the manufacturer his opportunity, the merchant his opportunity, the railroad its opportunity, and the steamboat and the canal their opportunities.

#### ***Producer and Consumer.***

There never was greater nonsense than this attempt to establish irreconcilable antagonism between producers and consumers. They are constantly interchangeable. Our country buys one-third of the productions of the earth. Why? Because we have the money. Why the money? Because we have the employment, and with the employment the wages, and with the wages the acquisition of the habits which make the luxuries of to-day the necessities of to-morrow.

My friend, the senior Senator from Iowa, in one of the ablest and most eloquent addresses delivered in this Chamber, has attacked the wool and cotton schedules. That speech has been very widely quoted, more, I think, than any which has been made here. A can of dynamite intelligently exploded will get more headlines and editorial comment than all the railroad trains of the country carrying the products of the farmer to the factories and the market, and of the markets of the country in distributing the results of their sales back to the farms and the factories. Automatic prosperity is like the air we breathe—it has to be questioned to interest anybody.

Much of the argument made by professing Protectionists has been to throw from their pedestals the statues of William Allison, William McKinley, and Governor Dingley. These three eminent creators and advocates of Tar-

iff bills are charged to have known little about what they were doing. No one charges them with dishonesty, either in thought or purpose, but the general impression left by the criticisms upon them is that their countrymen were never more mistaken than in the estimate which they have of them that they were the most distinguished, as well as the best informed, of Protectionists. We must believe, if we are to credit the mistakes and failures which they are alleged to have made in 1892 and 1897, that no statesman ever occupied permanent positions in either House who were so easily fooled. My faith in them is unimpaired.

There is nothing new under the sun, and

*The Oldest of Free-Trade Cries Is the One of Revision Downward.*

In all the speeches that have been made here, so far as I can recall them, the only open and direct attack upon the Protective system as a policy or a system has been from the distinguished Senator from Georgia [Mr. Bacon], but attacks have, nevertheless, been effective and deadly, and have produced their impression upon the country because they came from our own household, from those who proclaim their undying faith in the principle, but claim that in practice it leads to nearly all the disastrous results which are charged against it by its open enemies. Congressman Morrison presented the only true rule if we are to adopt a revision downward. He proposed a horizontal reduction in the whole schedule of 25 per cent. To have accepted his plea would have been to admit his contention that there should be no such thing as a duty upon any article which should equalize the cost of production between this and other countries with due regard to the wages of American labor.

*The Tariff Revision Pledge.*

I was a delegate to the national convention at Chicago, and mingled as much as anyone with the representatives of the Republican party. I was one of the vice-presidents. The absorbing question was not revision of the Tariff, but the hope that Roosevelt would accept and the fear that he

might take a renomination. The subject uppermost in all minds was not the Tariff, but whether anarchy or sanity would prevail in the resolutions. When sanity won, there were the same progressive predictions of disasters, which were answered at the election by the largest of our popular majorities for Taft and the platform. There was no discussion of, public or private, and no committals to, public or private, any method of the revision of the Tariff. There was an understanding, in which all Republicans are agreed, that the constantly changing conditions of production and invention and in cost in different countries not only justified but demanded an examination of the Tariff schedules which have been in existence for ten years, with a view to doing equal and exact justice to every one of these items within Protective principles which have been inserted in the Republican platform ever since the formation of the party.

*The Chief Practical Use of Statistics.*

It has been charged here that the United States Steel Corporation made last year \$9 a ton profit in excess of any legitimate return to which they were entitled. As the duty on their product was \$7, if that statement is true, it is evident, after taking the entire duty off, they would still have made \$2 more than a legitimate return upon their investment. There must be some error in the calculation which would justify the remark quoted by my eloquent friend from Iowa, that the chief practical use of statistics was to keep the other fellow from lying to you. Out of the Carlyle generalization has grown an American one that figures will not lie unless a liar makes the figures. No one charges and no one believes that there has been an intentional misrepresentation of the figures which have been presented by any Senator on any of the schedules in these debates, but if the profits of the United States Steel Corporation had been so preposterous, then the independent companies which are as well situated, without any water in their capital, with the latest machinery and the best of management, would have been able to make large money.

Even if it is true that the United



States Steel Corporation made \$9 in excess of any fair and legitimate return, even if it is true that the United States Steel Corporation can make iron \$2 a ton cheaper than the independent companies, there would still have been for the independent companies \$7 of profit in addition to a legitimate return upon their capital. As a matter of fact, they got no return at all.

### *Why We Should Keep a Tariff on Steel.*

The question has been raised why we should keep a Tariff upon steel to protect independent producers, who have 50 per cent of the business and employment, at the expense of the American public? Why not, in order to reach the United States Steel Corporation, take the Tariff all off and let the independent companies be absorbed and the whole iron and steel business of the country placed in one great monopoly? No one would dare argue or urge that, because the sufferers would be the consumers on the one side and the wage-earners on the other, with no possibility of relief in sight. Then why does not the United States Steel Corporation, having the power, as it apparently has, to produce more cheaply, crush its independent rivals? The American business man above all other qualities has good sense. With equal opportunities he fears no rivals. With too great opportunities he fears public opinion and legislation. To crush out the independent steel companies, it would be necessary for the United States Steel Corporation to forego dividends upon its common and preferred stock and carry on its business on a scale of meager profits for a number of years, while by dividing and leaving the market open to fair and reasonable competition, with the independent companies controlling one-half of the output and the business, it is enabled to earn profits which keep its works up to the standard, which give value to its bonds and its preferred stock, and which now and then permit a return upon the common. If it had a monopoly and the American market was thrown open to competition, the laws of trade would lead to an understanding with those gigantic trusts which control the markets of Great Britain and of the Continent, especially Germany, to whose tyranny and operations

the lamp-post would not be an effective remedy. You can hang a man upon a basis which would bring about the terrors of the French Revolution and the disruption of society, but the United States Steel Corporation is owned by 100,000 stockholders, of whom 27,500 are workers in the mines, the mills, and the furnaces, and on the railroads, and the steamboats of the corporation.

### *Protection Has Worked Wonders in the South.*

My eloquent friend from Georgia, in his brilliant defense of the South, claimed that the prosperity which has created a new South would have come without any Protective Tariff, and that the Protection which, in our judgment, has made the new South, has created a class who live by placing tax burdens upon their neighbors who owe them nothing and receive no benefits whatever from their existence. Now, let us see. At the close of the war the South, as he says, was purely agricultural, and all its property destroyed but land, and, as the Senator from Massachusetts has so ably demonstrated, it was that which presented such a frightful handicap during the civil war upon as gallant, brave, and resourceful a people as ever existed.

Soon after the civil war Protection enabled capitalists to take advantage in the South of the principle that where the raw material and the manufactory are side by side there is prosperity for both. Now, see this remarkable result: The manufactured products of the South in 1880 were four hundred and fifty millions; in 1900 one billion four hundred and fifty millions; in 1908 \$1,908,000,000. In view of these figures, where is the claim that the South is still an agricultural country and dependent entirely upon agriculture for its living? There is not a person, I believe, interested in the manufacturing industries of the South, who intelligently understands them, who would assent to-day to the repeal of the Tariff upon cotton products and iron products because Protection is an oppression upon their farming neighbors.

### *If There Had Been No Protection.*

Mr. DEPEW. Suppose there had been no Protection upon cotton and

iron as Protection, would capitalists have been found in the South or elsewhere for the cotton and iron industry?

Mr. BACON. Mr. President, if the Senator will permit me to reply, there certainly has been no Protection as to the production of cotton.

Mr. DEPEW. I mean the manufacture of cotton.

Mr. BACON. And cotton has not been produced—

Mr. DEPEW. I mean the manufacture of cotton and iron.

Mr. BACON. Well, Mr. President, the manufacture of cotton and iron in the South has grown up after the prosperity had been restored there, but their agricultural products, far from having any assistance from the Protective Tariff, bore an onerous and grievous burden all the time that they were thus restoring prosperity. The manufactures of the South have been the result of the wealth which has been dug out of the ground by the agriculturists of the South, and without any aid either from the Protective Tariff, or, generally speaking, from any other source outside of their own energy and their own perseverance and labor.

Mr. DEPEW. The manufactures of the South in 1880 were \$450,000,000; in 1900, \$1,450,000,000; and in 1908, \$2,000,000,000, in round numbers.

Mr. BACON. And, Mr. President, all that magnificent growth and development is the surplus profit which has been piled up by the Southern people in the prosecution of their agricultural interests at a time when they have borne a most tremendous tax to the manufacturing producer under the Protective Tariff, when they themselves were receiving no reciprocal benefits from it.

If the Senator will figure a little, and not despise figures, as he indicated just now he would be prone to do, he will find that the cotton crop of the South has not only enriched the South and that out of its profits have grown these immense industries of other kinds, manufacturing included, but he will find if he will examine the balance sheets that but for that cotton and but for that agricultural profit which has been made in spite of the Protective Tariff and not through any aid of it,

the balance of trade would have been frequently against the people of the United States.

Mr. President, the cotton crop sends out of this country something like five hundred million dollars a year which is the equivalent of gold, and it brings back into this country either actual gold or keeps gold from going out of the country by furnishing bills of lading, which stand for gold.

Mr. ALDRICH. What is it that makes the marketing of that great cotton crop of the South possible?

Mr. BACON. The world's demand for it.

### *A Controlling Factor in the Industrial Prosperity of the World.*

Mr. ALDRICH. It is the industrial prosperity of the world, and the industrial prosperity of the United States is the one important and controlling factor in that prosperity.

Mr. DEPEW. Mr. President, to continue one moment. As I said, from 1865 to 1880 the South got \$250,000,000 of capital in manufactures, from 1880 to 1890 she found \$650,000,000, from 1890 to 1900 she found \$1,150,000,000, and from 1900 to 1908, \$2,100,000,000. It would make the farmers of the world stand up and listen if told that that \$2,100,000,000 came from the surplus profits of agriculture in the South, by which in that brief period people who had no money and no personal property to begin with could give to manufactures such fabulous capital.

Mr. GALLINGER. If we did not have a Tariff on the finished product of cotton, and foreign countries were supplying us with cotton goods, as they did in the early days, what would become of the \$2,100,000,000 now invested in cotton manufactures in the South?

Mr. DEPEW. I believe that if the Protective principle was taken out of our legislation the cotton industries of the South would disappear.

Mr. GALLINGER. Of course they would.

Mr. DEPEW. And with that would come a paralysis of all industries of the South.

### *Phenomenal Prosperity for the Farmer.*

We have had since 1897 phenomenal prosperity, employment, and wages, the

farmers now getting a dollar and twenty-five cents a bushel for wheat and sixty cents for corn, and there is an open market for their stock. The farmers have paid off their mortgages, they have large surplus in the banks, and they are enjoying a prosperity such as has never been known by any agricultural people in the world and never known by our farmers before. It is because Protection has created the market, has created the money maker, has created "the money spender, and has demonstrated the interdependence between the farm and the factory and between the producer and the consumer. The rise in the cost of living is not in rents, clothes, boots and shoes, or railroad travel, but it is in food. To suppose that under these conditions the farmers of the country believe that under this principle they are burdened and oppressed in order to support their fellow-countrymen who are engaged in other pursuits and who, by being engaged in these remunerative pursuits, are their consumers and customers, is absurd.

#### *Sorry for the Progressive Brethren.*

I noticed in the papers of this morning that William J. Bryan and Governor Johnson, of Minnesota, deplored yesterday the situation of the Republican party. They said that if this Tariff bill as suggested either by the House or Senate committee became a law it would lead inevitably to the election of a Democratic House of Representatives two years from now and the Senate and the Presidency to follow four years from now. The tears which they shed should have been caught after the manner of the Pompeians, in a glass bottle, and preserved in the archives of the Smithsonian Institution. I am sorry for the progressive brethren of our own household who are lamenting with great earnestness the impending ruin which they are so fearful will follow if they fail to have their way. I say to our distinguished Democratic sympathizers with Hamlet to the ghost of his father, "rest, rest, perturbed spirit." The impatient horses attached to the car of progress and prosperity are held in with difficulty, because of their impatience to enter upon the Marathon race of production and development. The fate

of parties in power depends upon the effect of their action on the country. If because of this bill, when perfected, becoming a law we enter, as I believe we will, upon another decade surpassing in its beneficent results that which began with the Dingley Tariff, popularity will follow prosperity and the party can confidently rely upon the judgment of the people.

#### **Country Merchants Are Protectionists.**

*From the Congressional Record of May 18, 1909.*

THOMAS H. CARTER, of Montana. The country merchants of the United States as a rule are Protectionists. They have observed that under the reign of the Protective policy trade is better, the purchasing power of the people is greater, work is more generally given to men who are willing to work, and wages are better. So that the country merchant, the beneficiary of active trade, is a Protectionist in the majority of cases. As a rule, you will find that the country store is the headquarters for the Protection propaganda in the neighborhood. The country merchant is not in conspiracy with anybody to create the impression that the high price of goods is attributable to the Protective Tariff.

#### *No New Rule Adopted.*

It has been often suggested here that the Republican party platform adopted at Chicago made a new rule for the guidance of those called upon to carry the Protective policy into legislative enactment. According to my conception of the fact, there never has been any other rule for the guidance of those engaged in Protective-Tariff legislation. There never was, according to my idea, any disposition on the part of any Republican Congress or statesman to impose a duty higher than that which made up the difference between the cost of wages here and abroad, plus a reasonable return on the capital invested. That rule, of long standing, was crystallized into a plank in the platform at Chicago for the first time, but it was like an old rule of the common law with us from the beginning as a rule of action.

## Who Are the Consumers as Distinguished from the Producers?

*From the Congressional Record of May 18, 1909.*

JACOB H. GALLINGER, of New Hampshire. Mr. President, the Senator has raised a question that has been frequently raised here, as to consumers. There is one manufacturing establishment in New Hampshire that employs 13,000 people. The chances are that they represent at least twice that number of persons, perhaps three times.

Several SENATORS. Four times.

Mr. GALLINGER. No; some of them are unmarried. Are not they consumers, and is it not important that they should have employment to provide for their families? Who are the consumers of this country as distinguished from the producers, including the men and women who earn wages?

During the years 1894, 1895, and 1896, there were taken from the savings banks of New Hampshire, to meet their immediate wants, \$12,000,000 by the operatives, the farmers, and the laboring men who had deposited that money there. What has the Senator to say about those consumers? That money was taken from the banks for the reason that the kind of Tariff the Senator is advocating threw them out of employment and they had to go to the savings banks and take their earnings, which they had deposited there, a few dollars at a time, and use it to keep the wolf from the door and to keep their wives and children from suffering. Now, who are the consumers? Were those people consumers?

During those three lean years of Democratic ascendancy and low Tariff our people took \$4,000,000 a year from the savings banks of my little State. Last year and the year before they increased their deposits about \$600,000 each year.

In another body not long ago a distinguished gentleman said:

The Tariff bill is nothing short of an outrage. The witches whom Macbeth met on the heath never brewed a hell broth half so vile as this legislative compound.

Then that gentleman plunged his hands into the caldron of broth and

pulled out a prize package inscribed "Lumber" and voted for a duty on it.

## Great Department Stores Chiefly to Blame.

*From the Congressional Record of May 18, 1909.*

EUGENE HALE, of Maine. I have never arraigned the retailers. I have simply said, and believe now, that the condition of business, the passing of the article through the different hands, each stage enhancing the price, carries it way beyond the price at which the manufacturer sends it out to the country. The ordinary retailer, the man in the small town or city, is an industrious and careful man, and is not engaged in any conspiracy.

I will say to the Senator that I do think that what we may call the "great department establishments," or "department stores," which retail goods, are somewhat to blame in this matter. I think they have taken advantage of the revision of the Tariff to send out circulars and statements to the effect that prices will be raised and must be raised because of the Tariff revision; but I do not think the country retailer has anything to do with that, or is in any way accountable for it. He charges his customers a great deal more than the manufacturer charges, but the course of trade obliges him to do so. My impression is, although I have no detailed figures, that the department stores, the great hives of retail trade, have sought to impress upon their customers the view that they will have to put up their prices because of the revision of the Tariff. That is all that I feel can be laid at the door of the retailer.

## Tariff on Umbrellas.

*From the Congressional Record of May 18, 1909.*

JONATHAN P. DOLLIVER, of Iowa. Mr. President, that paragraph I asked to have go over largely out of curiosity, so as to ascertain why the rate provided in the House bill had been changed and why the classification had been so arranged as to change the Dingley rate on a portion of these articles.

The business of manufacturing umbrellas is very widely scattered all over the country, and the necessity for using them is practically universal, yet I notice that the reduction made by the House upon ribs and stretchers seems to have been rejected by the Senate, and the tubes which are now dutiable under paragraph 152 of the Dingley act at 35 per cent are put in with the ribs and stretchers and are assessed at 50 per cent. I should like to know the reason for it.

Mr. ALDRICH. The Senator from Pennsylvania [Mr. Penrose] is familiar with this industry and can explain it to the Senator.

Mr. PENROSE. Mr. President, I understand that 35 per cent is the Dingley rate. These frames [exhibiting] are sold to the trade, the small frames for about 8 cents and the others for a little over 11 cents. It appeared when the Dingley bill was drafted that a large part of umbrella frames was of wood; now they are made almost entirely of metal—the shank and every part of them, and these tubes—

Mr. DOLLIVER. Under the Dingley law, if my recollection serves me aright, the duty on that metallic tube was 35 per cent.

Mr. PENROSE. Yes; I understand that; but the shank was of wood when the Dingley law was framed.

Mr. DOLLIVER. I do not recall whether it was that way or not.

Mr. PENROSE. The metal shanks are used very largely now in the umbrella business.

Mr. President, German manufacturers are now making quotations to customers for these umbrella tubes—that is, to the umbrella manufacturers, the people who cover them with silk or cotton or whatever may be the cover—and there is hardly any margin whatever in this business. I am informed that there is no complaint on the price at which they get these frames. There are some 15 concerns in New Jersey, Pennsylvania, and New York which make the frames. I am further informed—and I believe it is correct—that the Japanese are beginning to make these frames, and with the low labor cost in Japan are becoming a serious menace.

Mr. BEVERIDGE. And yet I see that even under the Dingley rate of 35 per cent there was last year only

\$17,553 of importations, which would not indicate that the domestic concerns are in any grave danger of extinction from the foreigner, if that is correct.

Mr. PENROSE. The domestic manufacturers are in such grave danger that I venture the prediction, without fear of contradiction, that unless the duty is allowed by the Senate at this rate, every one of them will be driven out of business.

### Tariff on Antimony.

*From the Congressional Record of May 18, 1909.*

WELDON B. HEYBURN, of Idaho. Mr. President, I do not desire to leave the question just where it is. I had hoped that the committee would give us at least 2 cents a pound. We have partially developed enough undeveloped antimony mines in Idaho to produce more than we import. Several times they have just reached the condition where they could work at a profit, but they have been compelled to close down under just the circumstances stated by the Senator from Montana. One of those mines at least, which is in the very camp in which I live, is in such a condition to-day that could the prices be maintained it would be a steady producer of antimony. The deposit, in the nature of a ledge, is very large and it is a very high grade. They have erected the plant and they have spent a great deal of money, but they have been compelled to close down.

There is a great deal in the suggestion that this Government is at the mercy of the foreign market, for which we must pay. We could not compete in time of war; we would not be able to match, so to speak, the ammunition and the necessary equipment of other countries. They would have it and we would not have it. We would have to use some substitute for it, and there is no substitute for it known in the world.

I had hoped that the committee would make the rate 2 cents instead of 1 cent.

Mr. ALDRICH. The committee gave quite a great deal of attention to this subject. They are very anxious to have antimony produced in the United States. They believed that the rate

suggested was sufficient to re-establish the industry here, and I still think so. If the Senate agrees to this proposition, and then the committee find later that an additional duty will be required, they will report that fact to the Senate.

### Democratic Plea for Tariff on Quebracho.

*From the Congressional Record of May 20, 1909.*

JOHN W. DANIEL, of Virginia. Mr. President, in the view which I shall advocate, the proposition of the pending act, that is seven-eighths of 1 cent per pound, is a correct, scientific and useful rate of duty for the Tariff on the solid tanning extract known as "quebracho," with a half cent on the liquid extract of the same essence. I shall therefore oppose the amendment offered by the Senator from Wisconsin to reduce the rate fixed by the committee amendment from half a cent a pound to a quarter of a cent a pound; and I shall also oppose the committee amendment to the Payne bill regarding both amendments as bases of the perpetuation of an error.

Quite a history hangs around this provision in the bill, and I shall endeavor to state the different stages that this matter has been through.

It is not for an increase of the Tariff that I am asking. It is for an equalization of Tariff or its approximate. If the proposition as the Payne committee had it is effected, there will be a reduction of the Dingley Tariff by 6½ per cent and the better service, as I think, of all American interests involved.

In the second place, instead of destroying or mutilating our American industries, those who are making chestnut-oak extracts will preserve a competitive relation between foreign and domestic manufacturers, a situation evidently in the interest of the people and greatly commended by political economists.

In the next place, Mr. President, I think it will preserve the existing revenue from foreign importations and in likelihood increase it, for the need of the quebracho extract is growing daily, and at a reasonable rate, which does not prohibit it, I think. It is

sure to find a constantly enlarging market in this country.

And, in the next place, which can not be an indifferent consideration, it will steady and assure the employment of many American laborers, instead of scattering them away from broken-down American establishments.

It will give to the American manufacturers what they have not now on account of the Dingley act—a fighting chance. Such, it is believed, will be the result of the proposed amendment of the law.

Mr. BRANDEGEE, of Connecticut. I have no sympathy with the plea so often set up by the tanners as to what they will do if they are given all their raw materials free. I believe that every producer of any article of import in this country is deserving of Protection, and I for one will never vote to take the duty off of any product for the purpose of giving somebody raw material free as long as he maintains and asks a duty upon his manufactured product.

Mr. DANIEL. I beg leave to call the attention of the Senator from Massachusetts and my colleague to the fact, which has not been mentioned, but which appears conspicuously all through these papers and hearings; that is to say, the tanners, in their petitions here, have been actuated by the foreign quebracho-extract men to appeal to Congress to do what the quebracho men want. It was not upon the initiative of the tanners, but they are being used by other people respecting a collateral Tariff.

### Tariff on Cotton Seed Oil.

*From the Congressional Record of May 20, 1909.*

NELSON W. ALDRICH, of Rhode Island. I think the suggestions in regard to the maximum and minimum rates will be absolutely efficacious in doing away with all the suggestions made by the Senator from Georgia in the direction he has named.

One word more about cotton-seed oil. The Senator from Georgia is as well aware as I am that in East Africa, in Egypt, and everywhere else throughout the world, where there is any possibility of raising cotton, all the governments and everybody interested in

the prosperity of those countries are trying their best to raise some kind of cotton and some variety of cotton that may be sent to the United States. I suppose the Senators are aware that we imported, in the year 1907, 95,000,000 pounds of Egyptian cotton, for which we paid practically 20 cents a pound.

Mr. SMOOT. The facts are these: In Austria at the present time they allow cotton seed to come in free, but they impose a duty upon the oil of 27 cents. The same is true in Germany—not the same amount, the same principle. Under those conditions, they say, cotton seed going into Germany and into Austria is manufactured into oil, and the seed coming from South America, Egypt, and India at a very small freight rate, they can manufacture in those countries now, with free seed, cotton-seed oil, and if there is no duty they can ship to the border States of America cheaper than the product can be produced here. It is for that reason that I have supported the duty of 3 cents per gallon.

Mr. TILLMAN. Cheaper than it can be produced in the South, with negro labor at 50 and 75 cents a day? Whoever told the Senator that lied to him, and he knew he was lying—and I do not care who he is.

Mr. SMOOT. There are many countries which have cheaper labor than 50 cents a day. I think you could go to Germany to-day and find that the men working in those mills producing oil are not receiving an average of 50 cents a day.

### Great Britain Levies a Protective Duty on Beer.

*From the Congressional Record of May 20, 1909.*

NELSON W. ALDRICH, of Rhode Island. Is the Senator from Mississippi aware that, in the treatment of beer, for instance, Great Britain levies a Protective duty upon beer?

Mr. MONEY. I was not.

Mr. ALDRICH. The Senator had better examine that question.

Mr. MONEY. I will take the Senator's word for it that they do have Protection on beer; and I suppose that

there is something peculiarly favorable to beer, or they would not impose such a duty, because the English really consume more beer than any other people in the world. They consume more than the Germans do.

Mr. ALDRICH. They impose an internal tax on beer, and they have a duty on beer which is much greater, and which is prohibitory as to foreign beer.

WELDON B. HEYBURN, of Idaho. Mr. President, we have listened to much about trusts and about the adulteration of white lead. It has nothing whatever to do with the question of a proper duty upon white lead. The question here is whether we must Protect our white-lead industries in this country against importations and the competition of white lead in other countries. We produce in the United States only about one-third of the lead in the world. We have two-thirds out against us. It is ultimately all reduced to bullion. When it is in the shape of bullion or white lead, as it may be, base or otherwise, it can be corroded into white lead. White lead is a very large item of commerce.

We produce in this country of white lead \$14,669,591 worth. That is represented in part by raw material and in part by the machinery and the plant requisite to convert it and partly by wages. It embraces those three items. They all represent the investment of American capital or American labor. They are practically the same in my judgment.

We have already, at least tentatively, Protected the American lead producer against the competition across the Canadian line in regard to the basis of white lead. Now, under what rule of consistency would you leave the door open to the product and close it against the raw material? We have the raw material in this country for the purpose of conversion into the condition of use. What inducement would there be to convert our raw material of lead into white lead for consumption on this side if the lead could come over from Canada or Mexico free, or comparatively free, or at a less rate than would represent the difference in the conditions of production and transportation? What object would there be?

*The Trust Bogey.*

Mr. President, I have long since ceased to be appalled by the threat of a trust in every case. We are not bothered with the trusts, nor is the farmer bothered with the trusts in this matter. The only time he ever thinks of them is when, during a political campaign or some lecture tour, his attention is called to the fact that he is being hurt. He never knew it. He simply gets his first notice and first advice, and probably feels his first imaginary pains, through the eloquence and oratory of those who must have an issue, those who must have some startling sensation to spring upon the people. I have not been in this body as long as some, but I have been here some time, and I have never met these hobgoblins face to face. I have read descriptions of them, and I have heard the terrible things that they would do; but I have not seen American industry paralyzed; I have not seen farms deserted, machinery stilled, and the mines silent because of the trusts. Those men do not care who pays them their wages; they do not care who buys their product; and the farmer does not care. I see they are now—

*Farmers Are a Thinking People.*

Mr. President, I am very glad to have such an account of the farmers of Minnesota. I know something about the conditions of the farmers of Idaho. They are a thinking people, and they do not believe every foolish story that is told them. They are intelligent enough to sift the stories down and determine the truth that lies under them; and that is that a man alone in the world would mean nothing in the way of prosperity, but that it is the bringing together of men and the weapons with which men fight in this world that makes business and makes markets and makes opportunities; and that is what our people want. They only want the opportunity to pursue their industries and their enterprises. They ask nothing more; they will take care of the rest. And that is the only duty that the Government owes to the people—opportunity. It owes no man anything directly from the Government to the man. Under our system of government, the best and only

good government is that which gives the people an opportunity, each according to his own worth.

*Dismal Prophecies of Progressives.*

I have heard it prophesied that if the policy of the Republican party was adopted, if the Government of this country was intrusted to it, men would be homeless and poverty stricken; that the land would flow with blood, and anarchy would be rampant; and that the laborers would be out of employment. I heard it all in 1896, when that condition, in a measure, did exist, and I saw the Republican party come into power and apply the principles of Protection, for which we stand in this hour, and—

Mr. NELSON. Mr. President—

(Mr. HEYBURN. Just a moment. (Continuing.) I saw the records of the counties in every State cleared of the mortgages; I saw the borrower become the lender; I saw the idle man industrious at profitable occupation; I saw that building which had become racked with the blight of Free-Trade painted with the "white lead" of Republican prosperity, with a higher duty on it than we are proposing to put upon it to-day. [Laughter.]

Mr. NELSON. Was not that in the good old days, when, instead of a duty on lead, you forced us to buy silver at the rate of 4,500,000 ounces a month, whether we wanted it or not?

Mr. HEYBURN. Gracious alive! That silver ghost has arisen in the Senate of the United States again. [Laughter.] I will allow it to take care of itself. I am not going to be led off into a discussion of the silver question. I never followed the silver god out of the Republican party.

Mr. NELSON. But you are following the lead god. [Laughter].

*Not Following It Out of the Republican Party.*

Mr. HEYBURN. Why does not the Senator finish his speech? I was waiting for the Senator to finish. I am not following it out of the Republican party, and I am not going to follow different gods of any kind out of the Republican party and in the interest of anything in this country. I am not going to abandon the principle of Pro-



tection for which the Republican party stands.

Mr. President, no one need undertake to rob the Republican party of the glory of its achievements under the banner of Protection. Never was the hour so dark or the country so desolate that the Protective-Tariff policy of the Republican party has not lifted it up into the sunshine of prosperity.

The existing duty on white lead is higher than we are proposing to make it. Are the farmers of this country suffering because of it? Are their buildings lacking in paint and polish because of it? I think not. I remember coming down through the great valleys of the West just before the Republican party enacted the Dingley Tariff bill—in fact, before the election—and remarking how badly the country needed painting. I remember coming down again shortly afterwards and admiring the work of the painter. [Laughter.] The farmer must have something to buy paint with. If he has nothing to buy it with, he will not buy it; it does not matter what the price is. And if he has prosperity, he will buy it, regardless of the price.

#### *Farmers Are Now Money Loaners.*

The farmers of this country are to-day the money loaners of this country. They are the capitalists of this country. With wheat at the price quoted to-day and with every other product of the farm at the price it now brings, they are not complaining. A banker in a neighboring State told me recently that his institution was maintaining its magnificent palace for the purpose of guarding the money of the farmers; that if a man wanted to borrow money, he did not come to the bank but went to the farmer, and all they ever knew of it was through the check of the farmer coming in to make the loan.

That is the condition out in our country. The farmers there have grown prosperous because of the great mining industries that make a market that pays the farmer twenty millions a year or more for his supplies, for which he would have a very much decreased market in the absence of those industries.

Of course, in the case of any of

these schedules, you can by assuming false premises arrive at the conclusion that the country is crying out for relief. From what does this country to-day want relief? The people are not needing or demanding it. All they desire is that this question shall be settled, and that its settlement shall leave no threatened disturbance behind it; that its settlement shall be such as to give no man or set of men the power to change it.

The great value of the law, as was said by the great commentator, lies in its unchangeable and fixed character. The law that contains any element of a promised change is a dangerous law. People will not attempt to adjust themselves to it until they know that it has passed beyond the possibility of change by the people.

#### *Adds 25 Cents to the Cost of Painting a Farm House.*

Mr. PENROSE. Mr. President, as an illustration of the elevated character of the statesmanship which has delayed the business of the Senate for half a day, I desire to call the attention of the Senate very briefly to the following figures, which I have had carefully compiled, and which can not be contradicted:

In the case of ready-mixed paints, which are the paints usually used by the oppressed farmer to decorate his premises, 10 gallons are required to paint a farm house or cottage of from 6 to 10 rooms. In that 10 gallons of mixed paint there are 43 pounds of metallic lead, equal to 54 pounds of dry white lead. The House rate on 52 pounds of white lead, at 2 3-8 cents per pound, amounts to a little over \$1.23 in painting a house of from 4 to 5 rooms. The Senate rate on 52 pounds of white lead, at 2 7-8 cents, which is the difference in controversy to-day, equals a little over \$1.49. This makes the issue in altercation before the Senate of the United States, and the issue apparently delaying the public business and causing a loss of millions of dollars every day to the American producer, the sum of 25 cents in painting a farm house. [Laughter.]

#### *Protection Offers the Opportunity.*

Mr. HEYBURN. In something more than six years I have been a member

of this body I have on several occasions made a statement like this: I believe that the principle of Protection fosters individual prosperity, that it enables the individual to engage in business for himself on a safer and better and more profitable basis. I believe in individual enterprise. I believe that the larger the per cent of men engaged in any occupation on their own account the higher the grade of civilization. I think that one of the elements that tends to degrade men is that pay-window stoop that they get. When they go up to get an assured certainty it takes just a little from their dignity. The man who works for himself or who is engaged in business for himself steps a little higher, a little firmer, than the man who is engaged or occupied at the privilege of another.

That is the way I look at it. It is because I believe this and because I believe that Protection offers the opportunity for men to engage in business for themselves that I am a Protectionist.

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### Tariff on Mica.

*From the Congressional Record of May 21, 1909.*

ROBERT J. GAMBLE, of South Dakota. Mr. President, I am addressing myself briefly to paragraph 89. I repeat, this industry is largely in process of development. The product is essential to the development and to the uses of many industries, and should receive the Protection and encouragement. There are inexhaustible mines of this product in South Dakota, where last year one-third of the mica in the United States was produced. A large plant in the western part of the State has been successfully operated for the past two years. I am informed another of equal capacity is being installed and will be in operation within the next sixty days. I am assured from the extensive and rich supply in that region, with both plants in operation, they will be able to produce a sufficient supply for all the electrical uses of the entire country. The production of mica is largely in competition with the cheapest labor in the world. The largest importations for 1908, as shown by

the statistics of the Government, were from India.

The comparative rate of wages between India and this country has been frequently given during this debate. The rate there is only a few cents per day, and is only a fraction of the rate of wages paid in this country. The information furnished us by the Finance Committee is that mica from India can be mined and landed in this country at a price lower than the cost of production at some of the mines in the United States.

It seems to me, Mr. President, the rate of the present law should be retained.

### *Not Controlled by a Trust.*

Mr. GALLINGER. Mr. President, the Senator from Rhode Island is undoubtedly incorrect, or he is the victim of misrepresentation, when he imagines that mica is controlled by a trust. It is not. We have independent companies operating in the little State of New Hampshire and doing considerable business.

The Senator asked about the wages in India as compared with the wages in this country. I understand that they get 8 or 10 cents a day in India, and we pay considerably more than that in the United States.

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### Necessity for a Tariff on Carbons.

*From the Congressional Record of May 21, 1909.*

THEODORE E. BURTON, of Ohio. Prior to 1897 no carbon was known with a greater length than 12 inches. The understanding of the trade included two kinds of carbons; one a trifle less than 12 inches and one about 7 inches in length, with some intermediate lengths. The Dingley law, so called, provided for this rate of duty:

Carbons for electric lighting 90 cents per hundred.

Under any rational interpretation of that expression, it would mean a carbon less than a foot in length, for among the millions which have been burned in this country, not one at that time was in general use of a greater length than 1 foot. It was a staple article of commerce.

For reasons which it is unnecessary to explain—indeed, I do not quite understand them myself—after the ap-

praiser had decided that this meant a carbon stick less than a foot in length, and after the Treasury Department, in a letter of October 28, 1897, had directed the collector of customs at New York City to interpret this provision as meaning a carbon less than a foot in length, it was nevertheless decided that they might be imported, under the payment of this duty, in sizes of a greater length. It is not necessary to use names. Names do not after all have very great significance. I will not say this was a fraud, but it was at least a bald and palpable evasion which the Finance Committee in its recommendation to the Senate sought to correct, and they should have sought to correct it.

#### *Increase of Domestic Production.*

Now, as regards the rate of duty in the bill, I want to make just a few remarks. The rate under the Wilson bill was 30 per cent. Under that rate domestic manufacturers made about 10 per cent of the total number of carbons consumed in this country. Under the first and natural interpretation of the provision of the Dingley law, that it means carbons a foot in length or less, by 1903, 70 per cent of the carbons used in this country were made by domestic producers. Then, under the custom of bringing them in sizes of 2 feet or more in length, the domestic production gradually dropped in proportion, and it is now about 50 per cent.

There has been a very vigorous newspaper campaign instigated by the importers of this article. I know of none advocating any contention on any particular schedule who have taken the newspapers into their confidence more than the importers of this article, and but for that I think we should look at this paragraph dispassionately, with very little question as to the judicious thing to do.

There is ample opportunity under the 65-cent rate of duty to bring in these carbons and make a profit. The claim of the importers has been that they could be manufactured abroad and landed at New York City for 95 cents per hundred feet, each stick 1 foot in length. Add 65 cents to that, and that would make \$1.60. Under the payment of a duty of 45 cents, they could bring

them in for approximately \$1.40. They have been selling them for \$2.30, realizing a profit of the difference between \$1.40 and \$2.30 on the sales that they have been making.

#### *Prices Reduced by Domestic Competition.*

I want to call attention to the effect of the domestic reduction on prices. In 1897, when the Dingley act was passed, the price of these carbons was \$27.25 per thousand; in 1908 it was a little less than \$23 per thousand, showing a reduction of about 15 per cent. I want to say to the Senate that if I thought the adoption of this amendment would raise the price of those carbons I would not vote for it, although it is a local industry.

I believe the omission to provide a remedy for this evasion would be more likely to cause an increase of price than would a local monopoly; and I must confess that, if there is to be a monopoly anywhere, much as I would deprecate it, I should very much prefer that it should be in my home city than to have it exist in some foreign land.

I understand there is no monopoly in this industry. I understand \$20,000 or less will provide any existing carbon plant, of which there are many competitive concerns, for the manufacture of high-grade carbons.

I have never heard in the city of Cleveland the slightest intimation that the Standard Oil Company had anything to do with the National Carbon Company. Its list of stockholders is entirely distinct and is scattered over the country. If anyone made that statement in Cleveland, it would be supposed that it was the product of a diseased imagination or some muck-raking attack upon those who are engaged in legitimate business. I have never heard it termed a "trust."

#### *For a Fair and Judicious Tariff.*

I am not here with any brief for the National Carbon Company; I am here, in the first instance, for a local industry, and for a fair and a judicious Tariff. Is every organization which is prosperous to be placed in the pillory, as this has been to-day? Is it to be subjected to false accusations and to groundless suspicion? Certainly, if this had been done in the past, our coun-

try would be much nearer to the condition when the tomahawk was prevalent and the prairies were unsettled. Must you pounce on any corporation or any man simply because he is successful? I do not know whether there was any "water," as you call it, added to the stock of the National Carbon Company; but I do know that its success is due largely to twenty years of excellent business endeavor.

As I stated before, when the Dingley bill was passed, in 1897, 10 per cent of the carbons used in this country were made at home, and 90 per cent of them were imported. Under the first interpretation placed upon the law—which, I submit to the Senate, was the honest interpretation—interpreting it to mean a carbon stick a little less than a foot long, the domestic production grew to 70 per cent in the six years from 1897 to 1903. Then commenced this importation of double and triple lengths. Since that time the home production has gradually gone down, until now, instead of being 70 per cent as in 1903, it is 50 per cent or less of the total consumption. In the year 1907 there were imported something like 8,000,000 of these carbon sticks, no doubt of an average length of more than 2 feet each, amounting to about 20,000,000 sticks of commercial length or something more than half of the domestic consumption. This gradual increase of importation and the gradual falling off of home production—and it was not so gradual, after all—show the danger to this as a domestic industry.

#### *Protectionists Must Meet the Question.*

We who are Protectionists in this Chamber must meet this question: Are you willing that there shall be a fair and rational interpretation of the law of 1897 as it was intended, or do you intend to allow this duty to be so decreased that the manufacture of this article will pass from this country to another country?

It does not answer that question to fill the air with denunciations of trusts and monopolies. There is not any monopoly there.

I have already read to the Senate a letter from a manufacturer in the State of Illinois, in which he says that in July or August his factory will be

ready to put these carbons on the market. Any other carbon company that has the requisite skill and ability and the very small capital necessary can manufacture them as well.

We can not obscure this issue. The amount of importation in proportion to the total consumption is increasing year by year and month by month.

I am perfectly aware that there has been a campaign made in this case by the agents of the importers which has involved more publicity and more recklessness of accusation than perhaps in relation to any other item or paragraph in this bill. But I appeal to the Senate to stand by an American industry and give it fair play, and to rectify that which, to say the least, has been an error, if not a fraud, in the interpretation of the act of 1897.

Mr. President, I trust the committee amendment will prevail.

#### **Tariff on Automobiles.**

*From the Congressional Record of May 21, 1909.*

NELSON W. ALDRICH, of Rhode Island. Mr. President, in answer to the question of the Senator from Texas—which, of course, is a serious question—as to what rate would bring the most revenue, I have no question whatever that within a very few years the great mass of the automobiles that are used in this country will be made here. There can be no question about that. I think the American automobiles to-day are the best in the world; but there are now, and will be for some time to come, a great many people, undoubtedly, who will buy some fancy makes of French or German automobiles. I am inclined to think that if we make the rate any higher we would in the end get less revenue.

Mr. TILLMAN. And we would not get rid of automobiles.

Mr. ALDRICH. And we would not get rid of automobiles, because they are here to stay.

Mr. TILLMAN. They are bound to stay.

Mr. ALDRICH. No duty that we can impose upon them would exclude them from use. So the committee thought probably 45 per cent would be the best rate we could use for revenue.

Mr. BULKELEY. We are not accus-

tomed in this body to give the information from parties interested in these matters of Tariff a great deal of weight, but I should like to read a few words from a letter from a gentleman representing the manufacturers of bicycles, automobiles, and motor cycles, in which he says:

"The changes and insertion asked for are not important enough—"

Neither the provision as presented by the House nor by the Senate—

in the opinion of our automobile and bicycle manufacturers, to delay the harmonious passage of the paragraph; and I have the authority from H. B. Joy (Packard Motor Car Company), chairman of the automobile manufacturers' Tariff committee, and Col. George Pope (Pope Manufacturing Company), chairman of the bicycle manufacturers' Tariff committee, to state that paragraph 140, either as it appears in the House or Senate bills, is acceptable to our manufacturers, and that we do not object to the omission of the word "finished"—

Or its insertion; but, like all our other people in Connecticut who are interested in this as they are in other industries of the country, they ask for a speedy passage of this whole measure.

### That "Truly Reciprocal" Treaty with Cuba.

*From the Congressional Record of May 22, 1909.*

ALEXANDER S. CLAY, of Georgia. The sugar trust now controls and owns a majority of the stock in the sugar-beet factories of this country—that is, about 51 per cent of the stock. When the Dingley Act was passed, nearly all of the raw sugar we used came from foreign countries—

Mr. FOSTER. I do not want to interrupt the Senator, but he is stating a historical fact now as to the reduction of the Tariff on sugar by congressional action in so far as Cuba is concerned. I should like to ask him whether every sugar producer in this country, beet and cane, did not violently protest against this action of Congress, and did not the Senator from Georgia vote for that treaty?

Mr. CLAY. I voted in favor of the reciprocity treaty with Cuba. I believed that sugar would come into this country cheaper. I believed that the people of Cuba would

probably get a little more for their sugar. I found that I was mistaken: that the trust, while buying its raw sugar cheaper, continued to sell its refined product to the American people at the same price.

Mr. CLAPP. I think, in describing the reciprocity treaty with Cuba, the Senator omitted a very important fact. It was one of the most truly reciprocal arrangements I ever knew of, because the rate of duty which we took out of sugar just about corresponded with the advance in price of the stock of the American Sugar Refining Company. It was truly reciprocal.

Mr. CLAY. Will the Senator repeat that? I did not catch it.

Mr. CLAPP. I say, in discussing the Cuban reciprocity treaty, when any schoolboy ought to have seen that the only purchaser of raw sugar was the trust, and that reducing the duty on raw sugar would not benefit the American consumer, nevertheless we adopted that plan of reciprocity; and I say it was truly reciprocal, because the proportion of points we reduced the duty just about corresponded to the increase of points in the stock market of the stock of the American Sugar Refining Company.

Mr. CLAY. I quite indorse the speech of the Senator from Minnesota. There is no contention between us in the least on that point.

### *Sugar from the Philippines.*

Mr. SMITH, of Michigan. I was very much interested in the statement of the Senator from Georgia as to the productive sugar capacity of the Philippine Islands. As I understood him, upon some one's information he asserted that there was a possibility of producing 1,000,000,000 tons of sugar in the Philippine Islands.

Mr. CLAY. I do not know it myself. I have been informed that in five years that country could bring into this country at least 300,000,000 tons of sugar annually.

Mr. SMITH. Does the Senator from Georgia believe that it is good policy to develop the sugar industry in the Philippine Islands to that extent?

Mr. CLAY. I certainly would not be in favor of admitting free sugar from the Philippine Islands into the United States at all if you are going

to allow the present Tariff duty to stand on refined sugar. I am not in favor of free sugar.

### Protection Must Be a System to Include the Whole Country.

*From the Congressional Record of May 22, 1909.*

WILLIAM E. BORAH, of Idaho. I believe that Protection, if it is anything at all, is a system. If it is to be confined to this or that particular schedule, it is a privilege, and a privilege is always wrong and can never be justified. Unless we discuss the Protective policy upon the theory that it is a system which builds up all the industries of the United States and diversifies those industries and gives opportunity for labor to be employed in all of the different industries, it can not be justified at all. There is no argument in the world by which you can justify the building up of one industry under the policy of Protection. It must be a system to include the whole country, or it is not justified upon any theory whatever.

### Most Earnest Advocates of Protection Will Come from the Southern States.

*From the Congressional Record of May 22, 1909.*

NATHAN B. SCOTT, of West Virginia. In the dark days of the civil war, when a certain portion of the country was trying to make it appear that the war was a failure, when that great and good man, one of the greatest, I think, that the world has ever produced, President Lincoln, was almost ready to throw up his hands in despair, when gold was at a great premium, when an election was to be held in the fall, it was thought in all probability that the next Congress of the United States would be Democratic and that the policy of the country and the policy of President Lincoln would not be upheld for the lack of means to support the army, that it was the border Southern States which came to the rescue and upheld the hands of President Lincoln and made it possible for him to carry that war to a successful termination. Notwithstanding that

many of the great Republican States like Massachusetts, New York, and Pennsylvania failed to elect a united Republican delegation then, the States of Delaware and Maryland, the States of West Virginia, Kentucky, and Missouri sent enough Republican Members to Congress in that election to save this country from the disgrace of having to ask the soldiers of the Republic who were offering up their lives to go without their pay and of having the war declared a failure.

### Protection for the Entire South.

Mr. President, we of the border States ask for nothing more than we are willing to give to any other State in this Union. I am willing to vote for a Tariff that is fair and right to every section of the country, whether we produce any of the articles in my State or in the Southland. The Southern people are not selfish; they are a generous people; they are warm-hearted; and they only ask for themselves what they are willing to give to others. I hope when it comes to lumber, coal, and oil, and when it comes to other articles for which we are asking only a fair Protection in the great bill that is before the Senate, the South, not particularly West Virginia, but the entire South, will be taken care of; and I predict, as I did a few days ago, that the time is not far distant when the greatest Protectionists, the most earnest advocates of the principle of Protection, will come from the so-called "Southern States." I ask in fairness and candor, and, as I stated before, on the same line that we are willing to give to others, to the farmer, and to the mechanic, and to the laborer, that the same measure may be meted out to us.

### Tariff on Brier Wood.

While I have the floor, I wish to call the attention of the Senate to the fact that brier wood, laurel, and such like woods were put on the free list by the Senate committee. In the House there was a duty of 25 per cent—placed on these woods. If the committee will restore to the present bill the 25 per cent rate that was in the House bill, we can go on in this country and make pipes. We have the wood and the laurel root growing along the en-

tire length of the Allegheny Mountains. But, owing to the competition of cheap German labor, that industry has virtually gone out of existence. This [exhibiting] is a sample of the laurel root that is grown all along the Allegheny Mountains. If the committee will restore the rate the House gave us, 25 per cent, we can build up in this country a great industry in making the so-called "brier-root" or "laurel-root" pipes. This [exhibiting] is an imported pipe, made from the wood of Italy or some other foreign country, and I hold in my other hand [exhibiting] a pipe made out of laurel root and laurel wood in this country. Of course the wood of these pipes is stained. We can make just as good pipes here, and it will build up an industry that will give employment to hundreds and thousands of men. Certainly that is in the line of the policy of Protection. When the pending amendment is out of the road, I shall offer an amendment to restore the rate fixed by the House.

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### The First Act Passed by the First Congress Was a Protective Tariff Bill.

*From the Congressional Record of May 22, 1909.*

WELDON B. HEYBURN, of Idaho. I am not going to wander off into the field of history or reminiscence, except only to ask you to bear in mind that the best evidence of the intention of men who act in an assembly is to be gathered from the acts of the men when the assembly is broken up. The Constitutional Convention, in making the Constitution, provided for the legislative branch of the Government and gave it its powers. What was the first thing that they did? The presumption is that the first thing they did was the thing of first necessity, in their judgment. They passed a Protective Tariff act, and they named it in its title and specified in its text that it was for the purpose of affording Protection in the field of competition between this, then new, country, and the outside world. In other words, it for the first time spread the table for the American people. That bill was signed on the 4th of July by President Washington, and it was the first

act of the First Congress of the United States.

There is an indication of the intention and the purpose expressed by those who made the Government that it was bound to consider, and we can not disregard it. Had they told you otherwise at another time, you would have reproached them with the fact that we are going to take your act in judgment rather than your statement. They expressed the principle of a Protective and discriminative Tariff in that bill. They did not leave it to doubt. They enumerated, practically and substantially, the same classes of items that we enumerate to-day. They enumerated the items that we are to-day considering with reference to their relation to the Tariff question, as to whether their production involves a competitive idea or whether it is something that we may treat merely as a revenue-producing item, or whether it is something that should come in free.

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### When the Farmer Demands Protection He Will Have It.

*From the Congressional Record of May 22, 1909.*

PORTER J. McCUMBER, of North Dakota. I want to say, before I close, one word upon the Tariffs that are placed upon the farmer's products. If I can not demonstrate when we reach that schedule that every one of the products on which I have asked a Tariff to be levied should be levied upon it, then I am willing that it should be reduced.

But I know something about the conditions of the Northwest to-day. I know the growing conditions of our Canadian border line for 2,000 miles. I know some of the conditions that will confront us before another ten years shall elapse, and I am going to guard the interests of those people for the next ten years. Why? Because before the expiration of that time we will not be exporting one bushel of wheat from the United States. Then we will have the direct benefit of that Tariff. I know how we are going to be received on the other side of this question just as soon as

that condition arises. Then the cry will go up over this country for free food. I know what the farmers, who have stood by you during years of hardship to build up your industries, will meet, because I have observed it in every other country—as in Great Britain, where the laborer said, "We demand cheaper food," and the Tariff went off food products.

When we get that condition, Mr. President, I hope to see the farmers in my section as thoroughly organized as the labor unions are to-day; and if they are organized, I will tell you, you are going to have a pretty difficult task in cutting down the duties upon breadstuffs for the benefit of anybody upon the face of the earth.

***Protect the Farmer and Everything He Produces.***

Mr. SCOTT. There is no one, I think, who will say that I have not always been willing and perfectly anxious to do the farmer justice. He is the hardest working man, I think, in the country; he labors longer hours. I have been there, and I know of the life myself. I do not know whether the Senator from North Dakota ever labored on a farm, but I myself have. I want to say, Mr. President, I am in favor of Protecting the farmer and everything he produces, everything that grows, the same as I am in favor of Protecting the man who is engaged in manufacturing or in any other pursuit in this country.

Mr. President, who is suffering to-day? Is it the farmer? In conversation with a hotel keeper in southern California, whom I have known for years, who runs one of the finest winter resorts in that southern climate, he told me that in the last two or three years he has missed the Eastern man, the manufacturer, the merchant, the banker, but his house has been overrun with the farmer, with his wife and his children; that they all have plenty of money, and his rooms were not too good nor his table too expensive for any of them. I was very glad, indeed, to hear it. So the depressed and downtrodden farmer in the last few years has certainly had an equal advantage with those of us who have been engaged in manufacturing.

**Protection Needed for the Dressed Lumber Industry.**

*From the Congressional Record of May 24, 1909.*

ELIHU ROOT, of New York. Mr. President, before the Senate disposes of the paragraph providing for a differential upon dressed lumber, I wish to ask that consideration be given to a great number of establishments and employees who are engaged in the planing and dressing of lumber along the American side of the water boundary between the United States and Canada. Early in the history of the building of the dwellings for our people all along the pathway of emigration to the West, there grew up along the southern borders of the Lakes a chain of lumber yards and lumber-dressing establishments to supply the wants of the moving and growing communities. When the lumbering camps were established in the forests of Michigan and Wisconsin, instead of establishing planing mills at the camps, the cheap Lake freights made it practicable to transport the rough lumber to points on the south of the Lakes nearer the points of distribution and to dress the lumber at those points. Accordingly, these establishments grew up, and as the lumber of Michigan and Wisconsin decreased the same establishments began to include Canadian lumber in their work; so that now they are engaged in the dressing of rough lumber, which is brought from our Western forests and from Canadian forests, and the millions of feet of lumber which you see upon the "comparative statement" as imported into the United States during the past few years go chiefly to these lumber-dressing establishments, which are taking the rough lumber from the forests of Canada and manufacturing it into material fit and ready for use in building and in the various constructions where lumber is used.

This interest is plainly worthy of the careful attention of the Senate in applying the rule of Protection to the construction of this Tariff act. I do not ask, Mr. President, that there shall be any deviation from the rule upon which we are framing this act in behalf of the lumber-dressing interests of northern New York, but I do ask that for the Protection of their manu-



facturing industry they have the benefit of the same rule which is applied to other industries in this bill.

That is to say, I do not think there can be a reduction from those differentials which would not result in the transfer of a large proportion of our planing mills to Canada, because I think that those differentials are no greater than necessary to enable the American planing mills to make a fair profit on their product, while I think that an increase of those differentials would withdraw the corrective and restraining effect of possible Canadian competition in case our planing mills should endeavor to charge too great a profit upon their product.

Mr. President, may I say two things in response to that question? One is that there is not an established business of dressing lumber to any general extent with which we have to compete in Canada. The thing we have to fear is the transfer of business or the building up of mills in Canada to supply our markets. The other point is that I am assuming the duty on rough lumber is going to be reduced by Congress, and of course that will be a reduction of the Protection to dressed lumber as well as to rough lumber. The committee reports a fixed duty on rough lumber and a duty on dressed lumber, and the differential must be Protection.

### **If the Lumber Industry Be Destroyed the Farmer Will Lose a Big Market for His Products.**

*From the Congressional Record of May 24, 1909.*

WELDON B. HEYBURN, of Idaho. I should like some one who stands sponsor for this measure to suggest how much of the wages paid are to be transferred to the Canadian mills and how much are to be retained, because the merchants in this country and the farmers in this country have got to adjust their next year's business to the conditions that will confront them, and if, instead of paying \$120,000,000 in wages, you are only going to pay \$50,000,000, they have got

to reduce their business and their stock and their hopes, and they will reduce their bank account. If you are going to run a thousand mills, instead of three thousand, the men who have the money invested in those mills will be interested to know if they are among those to be eliminated from the field of active industry.

If you do not answer these questions here, you will have to answer them when the election day comes around and you want to hold up to the people the fruits of the Republican party and its methods of government.

I have been going up and down this country for thirty-six years, telling the people as the elections came around that the Republican party stood for Protection, and for a measure of Protection that would keep the foreigner out of the fields of competition. If \$2 will keep him out, it does not follow that a Tariff of a dollar and a half will do it. If you are voting for a dollar and a half, or going to, because you simply want to make a reduction without calculating the basis upon which you make it, you will afford no Protection; and less than Protection is as bad as none, not only in lumber, but in every other field.

The Republican party objected to the horizontal cutting down of the Tariff because it must inevitably in many schedules cut below Protection. A duty of \$4 is of no value at all if it takes \$4.25 to constitute Protection. Just dare go back to the American people, after the support they gave you last fall, and tell them that you have abandoned the principle of Protection and have adopted the principle of compromise or something else.

### *The Farmer Will Be Inquiring.*

Mr. President, the farmer will be inquiring "where is the market for my produce, the market that I had last year in the hundred thousand camps of men who were engaged in the lumber trade?" The lumber industry is the second largest item in the farmers' market, and when he asks "Where is this market that I had on election

day?" and you say to him, as you must if you do this thing: "Why, those people are not at present engaged in any employment; they have no reserve with which to buy your products, and you will have to either carry them over or not produce them." He will respond: "I sowed this field of wheat, I planted these crops under the promise of the Republican party that it would maintain the conditions that would insure me a market." Then, what will you say? "Well, we only reduced the duty slightly; we only shut off your prosperity a little." You might as well be choking a man, and, merely because you do not choke him to death, excuse yourself for partially choking him because you do not completely do it.

Mr. President, I feel that the hour has come when those in this Chamber who stand for the principles of the Republican party, and not for experiments, have got to stand up and speak up for the Republican party and its principles.

#### *The Great Clamor for Tariff Revision.*

A few months ago a great wail came up from off in the darkness and the dust of discontent, which always exists in the minds of the minority. Probably some one may have said, "What is that great clamor; what is all that noise about?" "Why, it is the shout of the people for a revision of the Tariff." Well, they did not stop to inquire what people or what element of the people. Some one said, "It is a cry of the people;" and a few Republicans, then in temporary control, got scared; but those who had fought in the ranks of Protection and Republicanism knew and told them that that cry came from the discontented Democracy, not discontented because the conditions of the country were not prosperous, but discontented because they were not in power and in office; and they were trying to scare the Republican party so that it would take to the woods and abandon Republican principles; and I saw then that the cause of that fear and dread, while it may seem harsh to say it, was that the offices seemed to be slipping from them. But I have been a good while in politics, and I think I may safely say that that cry found its echo first

in the minds of those who were afraid that the Republican party was not strong enough or strongly enough inclined to keep them in office or to put them there; but the old stalwart wing of the Republican party—

#### *What the Stalwarts Stand For.*

The stalwart wing of the Republican party stands for no partial measures, stands for nothing less than Protection that Protects, stands for nothing less than a discriminating Tariff that shuts the foreigner out of our market so long as our own people can supply it; and at Chicago, when that fear and fright came over those who were making the platform and caused them to promise, in the hour of their fright, that they would be good according to Democratic principles and the Populist cry, and said: "Oh, yes; do not strike us; let us have the power; we will call a special session even; we will do anything; we will promise you to revise the Tariff"—and some of them have gone so far as to say that they promised to revise it downward—the Republican party was not all at that convention.

Mr. CLARK, of Wyoming. The matter has been brought up several times as to the verdict of the people upon the revision of the Tariff. I should like to suggest to the Senator from Idaho, if the verdict in the last election was not a verdict, that the Tariff should be revised according to the Republican system of Protection, rather than revised according to the Democratic system of a Tariff for revenue only?

Mr. HEYBURN. Yes, Mr. President; and the verdict was something more. The verdict of the American people was "We will trust the Republican party; we will trust it according to the measure of its wisdom, in convention or out, and we know that when it comes to act responsibly, it has always given us good results;" and had the people in the convention promised other things in that platform, only a fraction of the Republican party was there, and the people knew the Republican party well enough to know that even though, inadvertently, it might make expressions that sounded badly, it could be trusted in the hour of its responsibility.

## The Man Who Thinks as a Protectionist and Argues as a Free-Trader.

*From the Congressional Record of May 24, 1909.*

WILLIAM E. BORAH, of Idaho. Mr. President, the question asked by the Senator from South Carolina [Mr. Tillman] of the Senator from Nebraska [Mr. Burkett] illustrates the unfortunate position of the man who thinks as a Protectionist and argues as a Free-Trader. The great foes of the Protective policy have always been within the ranks of Protection—those who would make an exception in favor of or against a particular industry. Such men overlook the fact, or, seeing it, ignore the fact that, as I said the other day, unless the policy of Protection is a system it can not be justified at all. There is no way either in constitutional law or in morals by which you can properly lay a tax to sustain an industry or to enable an industry to live when otherwise it could not live, and thereby, in a sense, to tax one individual for the benefit of another, except upon the theory that as a policy or system it develops our natural resources, diversifies our industries, gives employment to the different dispositions and desires of men, and creates and maintains a home market. Upon any other theory, the Protective system is a privilege—a wrong, if not a fraud—and those who argue for the free-lumber schedule must do so with the full knowledge of the fact that they are presenting an argument which undermines the whole superstructure of Protection.

If the farmer can ask for free lumber or free anything which he buys, the man in the mill, whether manufacturer or laborer, has the same right to ask for free articles which he purchases, because it must be a conceded fact that to single out any one particular industry and take off the duty is, in all probability, to lower the price of the product of that industry to the consumer. For further illustration, if good old New England, the home of Protection as well as of culture and wealth, should so far forget herself as to demand free hides, the Western rancher and the Western farmer would have a right in return to demand free

saddles, free harness, free shoes, and free everything else that is made out of hides; and we arrive pretty soon, Mr. President, at the point where the great French economist and the most subtle of logicians, M. Bastiat, would have placed us years ago, and that is a condition of freedom of exchange with each other and with all the world.

### *The Real Question.*

Those who argue for free lumber, therefore, must do so upon some legitimate basis consistent with the policy of Protection, or they must be satisfied to stand forth and argue for free lumber upon the same basis that nine-tenths of the schedules could be argued against so far as duties are concerned in this bill. The real question is whether or not the removal of the duty from lumber will lower the price to the consumer, or rather whether or not the lowering of the duty on lumber will still retain the industry and yet lower the price to the consumer.

The American farmer will not appreciate the eulogies which are delivered upon him here in this Chamber unless some result in a practical, positive way accrues to him, because the American farmer is a very practical citizen; in other words, he will not appreciate the eulogies which have been pronounced and the discussion of the denuded hillsides unless, as a result of that, he can maintain his home market and still have his lumber cheaper than he has it to-day.

### **An Adjustment Based upon the Broad Principles of Protection for All American Interests.**

*From the Congressional Record of May 24, 1909.*

JACOB H. GALLINGER, of New Hampshire. The distinguished gentleman who at present presides over this body was likewise on the Republican ticket as a candidate for the high office of Vice-President. This is his utterance when he was notified of his nomination:

First, then, let me say that I am a Protectionist. I am sufficiently practical to value the utility of a fact higher than the beauty of a theory. I am a Protectionist because experience has demonstrated that the application of

that principle has lifted us as a Nation, to a plane of prosperity above that occupied by any other people. I especially commend that plank of our platform which promises an early revision of the Tariff schedules. That pledge will be fulfilled in an adjustment based in every particular upon the broad principles of Protection for all American interests; alike for labor, for capital, for producers and consumers. The Dingley bill when enacted was well adapted to the then existing conditions. The developments of industrial prosperity in a decade, which in volume and degree have surpassed our most roseeate expectations, have so altered conditions that in certain details of schedules they no longer in every particular mete out exact justice to all. In this readjustment the principle of Protection must and will govern. Such duties must and will be imposed as will equalize the cost of production at home and abroad and insure a reasonable profit to all American interests. The Republican idea of such profit embraces not alone the manufacturer, not alone the capital invested, but all engaged in American production, the employer and the employed, the artisan, the farmer, the miner, and those engaged in transportation and trade; broadly speaking, those engaged in every pursuit and calling which our Tariff directly or indirectly affects.

I thank the Senator for permitting me to put this into the Record.

### **Duties To Be Lowered Within the Principle and Policy of Protection.**

*From the Congressional Record of May 24, 1909.*

WILLIAM E. BORAH, of Idaho. A great deal has been said, Mr. President, in this Chamber and elsewhere with reference to the meaning of the Chicago platform. I am one of those who believe that the Chicago platform meant an honest and faithful revision of the Tariff, and that that revision was understood in the public mind to be a revision downward, but always within the lines of sufficient Protection to American Industries and American labor.

This, Mr. President, did not mean, as was so often pointed out during the campaign by the President himself, but that there might be instances in which it would be necessary to raise the duty in order that the principle of Protection might be preserved; but undoubtedly it did mean, in a general way, that when the duties could be lowered, within the policy and principle of the party of Protection, that

that should occur, and that rule should be adopted and carried out in good faith.

But, Mr. President, there was nothing better understood by the great mass of the American people during the last campaign than that there should be no injudicious, indiscriminate, or unfriendly attack upon the underlying and fundamental principles of the Protective policy. There was nothing better understood than that whatever revision should take place by the American Congress should be within the light of that great principle and within the integrity of that principle. The people understood that just as fully and just as completely as they understood that they would take hold of the Tariff and undertake to adjust irregularities and abuses which may have grown up in the last ten years. They had an opportunity to pass upon this question. It was directly presented. It was accentuated, not only by the platforms, but by the candidates themselves. One of the candidates had been reared in the school of Protection. He was pledged to the policy, and it was understood that whenever he directed the revision of the Tariff it would be in the effort to preserve the Protective policy with reference to all these industries.

### **Revision by Friends of the American Protective Policy.**

The other candidate had been reared in the school of Tariff for revenue only. Both candidates were pledged to revision. One of them was a friend of Protection, the other was an enemy of Protection; and the American people said, with an overwhelming voice, "Give us revision, but give it to us by the friends of the American Protective policy, in order that it may be preserved as the Republican party has preserved it in this country in the last fifty years."

If they had been desirous of having a revision here which should ignore the Protection of American industries, they had an opportunity to cast their votes in accordance with that desire. They did not do so, which meant, when there is fair interpretation of the platform, that the American people wanted revision; but above all and beyond all they wanted the great policy of Pro-

tection preserved in the industrial system of the United States.

There never was a time, Mr. President, when the Protective principle was so universally accepted, North, South, East, and West, as at the present time. We have our matters to adjust and conditions to meet; high prices, and those incidents and things which have been discussed here; but it is not yet the belief of the majority of the American people that you can meet those conditions and adjust those situations by tearing down the barriers and removing the walls, so that the foreign manufacturer may take possession of the American market.

***Protective Principle Must Be Carefully Guarded.***

There never was a time either, Mr. President, in my judgment, when it was so essential and so necessary carefully to guard the Protective principle as it is to-day. All duties should be lowered which can be lowered and the policy and principle of Protection preserved; and so far as I am concerned, I am perfectly willing to meet this timber schedule, or any other schedule which is presented in this Chamber, upon that basis; but when it is contended that the American people understood that in this question of revision we should ignore that principle, an effort is made to insert in that platform something which was never there, and which no one ever conceived of. No man went into the country where I lived, or any part of it, and advocated the doctrine which has been advocated in this Chamber as the principle which should prevail in reference to revision; that is, that it should be downward, regardless of the principle of Protection.

The Senator from Minnesota [Mr. Nelson] a few days ago said:

My objection to the duties levied upon lumber rests upon the fundamental fact that it is fostering and building up one of the greatest and worst monopolies in the country.

I thought, Mr. President, when I heard that language that I had heard it somewhere before. I was like the member of the legislature, either in Massachusetts or Arkansas, or some other good State, who heard the Lord's prayer by the chaplain, when the ses-

sion was opened, and said he was certain he had heard it somewhere before.

***Has Not Usually Come From That Side of the Chamber.***

It has long been a contention in this country that the Protective policy builds up monopolies. It has not usually come from this side of the Chamber. It has usually been presented with a great deal of effect from the other side of the Chamber. But I want to say that if that is true, if it does build up monopolies or if the legitimate result of it is to build up monopolies, this bill should be sent back to the committee and reconstructed upon a different basis entirely; and it will be very difficult after this doctrine, this new revelation by the Senator who has been lately to the island of Patmos, goes out to the American people, to sustain the Protective policy before the people of this country.

It has been advocated since the day when some people charged Alexander Hamilton with promulgating it for the purpose of Protecting the moneyed interests of the country at that time. It has been advocated upon every political battlefield from 1860 to the 3d of November, 1908, and it has been as successfully met not only by the arguments of the men who do not admit, but as successfully met by the judgment of the great American jury—the men who vote in this country.

***Protection Principle Does Not Apply to the Lumber Industry.***

*From the Congressional Record of May 24, 1909.*

PORTER J. McCUMBER, of North Dakota. Mr. President, the underlying principle of the Protective policy is that it compels the consumer to pay an additional sum to-day, compels the greater number to pay a greater price for a given commodity to-day by an assurance that it will pay a less price for it to-morrow. That is the Republican policy, and reduction in cost has been its result wherever it has acted upon the great products of this country. No man can deny for a single moment that if we had remained a Free-Trade country we would be pay-

ing two or three or four times as much for all of the great manufactured articles that we use in the country as we are paying to-day. But that does not necessarily mean that there shall be no free list upon the schedules that we are to pass upon.

I said, and I state again, that the underlying principle of the policy of Protection to-day has no application to the lumber industry in the United States.

#### *Plea In Behalf of Investors.*

Mr. ELKINS. We exported to Canada \$15,000,000 worth of lumber last year, and that is a good deal. I do not know precisely what amount was imported from Canada, but I do not believe it was quite as much as that.

What I want to say is that the conservation of the forests is a matter of public concern, and properly so. Then why impose it on the individual? Men have invested all their fortunes in the lumber business, and why should we tell them now that they can not carry on their industry the same as their neighbors engaged in other business? Is it right to tell them, "You are to prolong the life of timber by having your business made a languishing one, by which you can make no money?" Whenever you have a man in a position where he can not make money, he will abandon the business. That does not apply, I am willing to say, to all the lumber industries of the United States; but as to those bordering on Canada and Mexico, that would be the result if we had free lumber.

#### *Does Not Believe They Would Be Injured.*

Mr. McCUMBER. Mr. President, it has never occurred to me in this debate that if I could secure the adoption of this amendment I was going to render homeless all the people who own timber land or that I was going to pauperize the Weyerhauser interest that owns about one-seventh, as I understand, of the entire timber supply of the United States, outside of what the Government owns, or that they would seriously suffer; nor do I believe that those men who bought their timber lands ten or fifteen years ago for about 15 cents per thousand and have seen them increase in value about 2,000 per cent, would be seriously injured if we

should succeed in getting more lumber in from Canada.

I have stated again and again—and anyone who will study this question carefully will agree with me—that, considering the extent to which we are consuming our forests in the United States, considering the devastation of the forests in Canada, and the number of homes that are being built upon our Western plains, under normal conditions in the next few years the demand is going to be greater than ever before, and that is itself a guaranty against a decreasing valuation of the lumber product. Those who have bought that product at almost nothing are not going to lose anything if we succeed in holding the price down to about what it is at the present time. Everyone of us knows that the value of lumber for the last seven or eight years has been fixed, not entirely according to the question of supply and demand, but according to the limit of the ability of the American people to buy it. We were more prosperous from 1897 to 1907 than we had ever been before in our history.

#### **Practical Operation of the Policy of Free-Trade In Lumber.**

*From the Congressional Record of May 24, 1909.*

JONATHAN P. DOLLIVER, of Iowa. Lumber was put on the free list in 1894, and I was so interested to observe the effect of that provision of law that I made long journeys to the frontier to see how the lumber duties were operating, or, rather, how the policy of Free-Trade in rough lumber was operating. At the city of Duluth I found a bridge being built of lumber, connecting the city of Duluth with the city of Superior, a magnificent structure over a mile long, connecting two of the greatest lumber yards in America, but being constructed out of lumber brought in from Georgian Bay, notwithstanding the fact that grass and oats were growing on the tops of the most imposing piles of sawed lumber there that I ever looked at in my life.

Mr. CLAPP. I want to ask the Senator why that was? Does he not realize that that was done before the system had developed of bringing that

long timber from the Far West which we now get?

Mr. DOLLIVER. I do not know, but I remember the impression it made upon my mind, that while it did not affect my own people in the community where I lived, it might operate adversely to the people who were trying to conduct the lumber business along the Canadian frontier; and I have never been surprised that the people of Maine, Vermont, and New Hampshire have felt less inclined toward free lumber, notwithstanding the rapid disappearance of their own forests, than some other sections of the country have been.

#### *Free-Trade on the Pacific Coast.*

I went out to the Pacific coast and there had an opportunity to see how Free-Trade in lumber was working on that far-off boundary of the United States. I was impressed by the fact that the remnants of Canadian lumber yards in British Columbia, in queer-looking craft of one sort and another, were being carried into every harbor of our Pacific Ocean under a foreign flag, sneaking even into Seattle and Tacoma, into San Francisco, Los Angeles, San Diego, and down that shore, delivered to our people in the place of that which was for sale in lumber yards in all those cities, but which could not be sold in the face of this competition.

To-day, if lumber goes on the free list, it might seem that it would not seriously affect those good people in Washington and Oregon, and yet it must be evident that lumber taken out of Vancouver Island and out of British Columbia ports can be carried down the Pacific coast in cheap vessels under a foreign register, with a freight rate discriminating in their favor very largely compared with our own coast-wise freight rates. We might create the very singular situation there of people living outside of the United States enjoying a rate for ocean transportation based upon the standard fixed by tramp steamers, taking lumber from Vancouver Island and from British Columbia into every seaport of the Pacific coast, to the disadvantage of our own people who are manufacturing lumber at Portland and Seattle and in northern California.

#### *Would Do Little Good and Might Do Much Harm.*

Mr. President, I have often said to our people that if I could see any distinct and certain advantage to them in putting lumber upon the free list, I would be very much inclined to help them without inquiring very closely into how it would affect other sections of the country. But the more I have thought about the lumber question the more I have come toward the conclusion that what is proposed to be done in the amendment which has been offered by my honored friend the Senator from North Dakota will probably do the people whom we try to serve no good or little good, and at the same time may be a harsh and injurious stroke against our friends who have gone out into the mountain country and into the Pacific coast country and have there built up this great industry.

It is the fourth industry of the American people—agriculture, the metals, the textiles, the manufactures based upon wood. It employs nearly a million men in the United States. It has invested nearly a billion dollars. It has a product which makes it the fourth industry of our people.

The census of 1900 shows that at that time it was the chief manufacturing industry of 31 States of the Union, including my own, and an important industry in every State of the Union and in every Territory and in all our islands of the sea.

I doubt very much whether we approach the problem with wisdom when we take this article, representing such an investment and such an employment of labor so widely scattered, and put it upon the free list, without any regard to the influences that afford either the labor it employs or the capital that is invested in it, and without any attempt to secure from Canada a corresponding concession.

#### *Sympathy With People Who Are Trying to Make a Living.*

I confess that I am in very strong sympathy with those of our fellow-citizens who are trying to make their living in remote regions of our country. Many of them have gone to Idaho, Washington, and Oregon from

my own State, and without exception they look upon this policy as damaging to them. They say that the market which they have on the Pacific coast is their basis of profitable operation.

It is that market which underlies the permanent and steady prosperity of their industry. They say that Free-Trade in lumber would expose their local market throughout the whole length of the Pacific coast to an immediate and damaging invasion from the coasts of British Columbia.

Mr. McCUMBER. I desire to ask how that possibly can be, when those same sections are exporting to Australia and to Asia generally at least three times as much as the Canadians are exporting and are selling it in competition with British Columbia in all the foreign markets?

Mr. DOLLIVER. That is the exact question which I asked in more than 20 sawmills on the north Pacific coast. They said that the mills in Canada were sending to England and to their own Eastern seaboard the first-class lumber which they produced, and the tragedy of the situation was that they were unloading on the coast cities of the United States the remnants of their lumber yards which they could not sell either in London or in Montreal. So we had the strange spectacle of our own industry prejudiced and in some cases totally destroyed, as they informed me.

#### *Doctrine of Protection as Broad as This Continent.*

Now, my doctrine of Protection is as broad as this continent. If this doctrine is cast away where these scattered sawmills are concerned, it would be difficult to find any place for its application.

I do not propose, making an honest and conscientious study as I have tried to make of our industrial system, to intentionally expose to loss or injury even the humblest occupations of the American people; and hard as I have tried to get the consent of my own mind to it, I am not willing to take this industry, representing so vast an investment, representing the employment of so great an army of hard-working people, and put it in unconditionally upon the free list. It ought

to retain a small duty at least, a duty large enough to be of consequence, when we seek, as we surely will at some time, a more reasonable trade relation with Canada than now seems probable. If a present of the revenue now derived from the lumber duties is to be made to citizens of Canada, we ought surely to accompany the gift with a request for reciprocal concessions on the same articles exported into the Dominion over duties very much larger than we now exact from these people.

#### **Sees No Necessity for a Tariff on Lumber.**

*From the Congressional Record of May 24, 1900.*

MOSES E. CLAPP, of Minnesota. Now, Mr. President, in regard to the lumber rate, applying what, to my mind, is the most satisfactory principle of all the evidence in this Tariff discussion to the lumber question, I can see no necessity whatever for a Tariff upon lumber, in view of the insignificant importation of lumber to this country and the vast production within our own midst. I want to tell the Senator from Iowa that a prominent lumberman once told me that Iowa itself was a market for more pine lumber than all the world outside of the United States. With that market to supply, with this timber in our midst, with our mills here, with our investments here, with the demand increasing and the supply diminishing, I do not believe that the American lumber interests will suffer one iota by taking off this duty. If I did, I would agree with the Senator. I would not stand here to strike down any industry.

But I want to remind the Senator that while the fact is urged that millions are invested in this industry, that fact, instead of being evidence of the necessity of retaining the Tariff, would rather indicate the successful and permanent character of the industry and as no longer requiring this duty. It is more evidence, to my mind, of the ability of the industry to maintain itself.



## Tariff on Lumber in the Law of 1846 Nearly Double What It Is Now.

*From the Congressional Record of May 24, 1909.*

JOSEPH W. BAILEY, of Texas. I want to show my Democratic friends—of course they know it just as well as I do, and most of them know it better—that in the Democratic Tariff act of 1846, about which Democrats speak so often and about which they are justified in always speaking, that the duty on lumber was nearly double what it is in the existing law. Of course Senators all remember that the schedules of the Walker Tariff act were not arranged according to the commodities or articles. There was no wool schedule, no metal schedule, and no earthenware schedule. The schedules in that act were arranged alphabetically and according to the rate of duty imposed, beginning with the Schedule A, which imposed the highest rate of 100 per cent, and that duty was laid on brandy and other similar luxuries. Schedule B, as I now recall, levying a duty of 40 per cent, was the next one.

The next was Schedule C, which levied a duty of 30 per cent; the next was Schedule D, which levied a duty of 25 per cent; and the next was Schedule E, which levied a duty of 20 per cent; and Schedule E, levying that duty of 20 per cent, included lumber. I will read it:

Boards, planks, staves, laths, scantlings, spars, hewn and sawed timber, and timber to be used in building wharves.

This ideal Democratic Tariff measure, whose duties were supposed to be adjusted with scientific precision from a Democratic point of view, levied a duty of 20 per cent on lumber; and yet we hear men say now that Democratic principle requires us to put lumber on the free list.

Mr. DIXON. I have been very much interested in the Senator's description of the apparent inconsistencies on this side of the Chamber, and I am frank enough to say, with some degree of truth, I think. But now, as the great expounder of Democratic doctrine, how does he at this time square his present declaration of a Tariff for revenue on lumber with that provision of the

Democratic national platform adopted at Denver last June, which declared:

We demand the immediate repeal of the Tariff on wood pulp, print paper, lumber, timber, and logs, and that those articles be placed upon the free list?

### *Repudiates the Democratic Doctrine of Free Raw Materials.*

Mr. BAILEY. I understand that, just as I do the declaration for free raw materials generally. I utterly refuse to be bound by it, because it is not a Democratic doctrine. I understand it was declared by a Democratic convention, but, Mr. President, yielding obedience, absolute and implicit obedience, to any declaration of principles which my party may make—and when I can not yield that obedience I will withdraw from membership in it—I yet refuse to allow a set of delegates, selected by the people absolutely without reference to a question of that kind, but selected almost solely with a view to the candidacies of men, to assemble in a convention and assume the function of legislators. The business of a national convention is to declare the principles of the party; and if they are not willing to trust the Senators and Representatives belonging to that party to apply those principles according to wise details, they ought to select some other Senators and Representatives, and they will have to do it in my case. That is my answer.

### **Democrats Who Voted for a Protective Duty on Iron Ore.**

*From the Congressional Record of May 25, 1909.*

WILLIAM J. STONE, of Missouri. Mr. President, I am one of the 18 Democrats who voted to put a duty of 25 cents per ton on iron ore. The 18 Democrats who voted that way are Messrs. Bacon, Bailey, Bankhead, Chamberlain, Clay, Daniel, Fletcher, Foster, Frazier, Johnston of Alabama, McEnery, Martin, Paynter, Simmons, Stone, Tallafarro, Taylor, and Tillman. Ten Democrats voted to put iron ore on the free list, viz, Messrs. Clarke of Arkansas, Culberson, Gore, Hughes, Newlands, Overman, Rayner, Shively, Smith of Maryland, and Smith of South Carolina. How the 5 Democrats who

were absent or paired, and therefore are not recorded, would have voted, I do not know. Up to this time there are only two questions upon which Democratic Senators have divided to any appreciable extent—on iron ore and lumber; in fact, as a rule they have voted together and the same way.

Mr. President, ever since we have had Tariff laws, and we have had them for more than a century, there has been a duty on iron ore. In all our Tariff laws up to this time, whether made by Democrats, Republicans, or others, a duty has been laid on these ores.

### West Virginia Interests Menaced by Free-Trade Republicans.

*From the Congressional Record of May 26, 1909.*

STEPHEN B. ELKINS, of West Virginia. Mr. President, West Virginia is interested in the duty on lumber, coal, and oil. They are the three leading products of the State, and I may say in a measure leading products of the South.

West Virginia is in an unfortunate position so far as the pending bill is concerned. It would seem that the Committee on Finance, that reported the pending bill, is not overfriendly to her products. What is termed as the "progressives" in this honorable body—I do not mean this in any offensive sense—I greatly fear will not vote for a duty on coal, oil, and lumber, calling them "raw materials." The Finance Committee has gone so far as to put oil on the free list; coal is in suspense; and the duty on lumber is reduced 50 per cent in the bill, and the most violent Free-Trader as to lumber, coal, and oil I have ever known is a leading member of the committee from the State of North Dakota [Mr. McCumber]. I hope I do not do him any injustice when I make this statement. These two powerful elements in the Senate shake hands across the chasm that divides them on everything else and seem to agree as to the products of West Virginia. What is to be the outcome I do not know. West Virginia, it appears, can not get the relief she deserves from the Finance

Committee, and I know in her distress she can not get sympathy from the progressives.

### *Author of a New and Strange Doctrine.*

The Senator from North Dakota argues that because a product is not long lived its life ought to be prolonged by putting it on the free list. Timber, he says, can not last long; and as a remedy to prolong its life, it should not have a duty, should not be Protected, no matter what becomes of the people who own timber lands, what becomes of the money they have invested, of their mills and plants, of their homes and means of making a living, and of the wage-earners employed in the lumber industry. No matter what the injustice may be, his aim is to prolong the life of timber, even if he destroys the lumber industry; but he does not fall, however, to vote the highest duties on the products of his State, even if they should be short lived. He seems to be the author of his own peculiar theory as to putting some products on the free list because they are short lived and can never be reproduced when once exhausted. I am sure he will remain the undisputed author of this new and strange doctrine; no one will want to take the honor from him. I have recently gone over all of the great writers on political economy, Jevons, Ricardo, John Stuart Mill, Walker, Adam Smith, and others, and none hints at such a theory or notion as that advanced by the Senator from South Dakota.

### *Seems to Favor Protection in Spots.*

Mr. President, I agree fully with what the Senator from Idaho [Mr. Borah] stated in reply to the remarks of the Senator from North Dakota, when he said that the Protection is either a principle or not. Protection can not be a great cardinal principle, an important national policy, and at the same time be local and distributed around in spots. I do not want to offend the Senator from North Dakota, but he seems to favor Protection in spots. He is for high duties on all the products of his State and no duties, no Protection on many of the products of other States.

Now, let us see what the Finance Committee has reported in the pending

bill. The committee increases the duty 5 cents a bushel on oats. That is about 20 per cent increase. North Dakota raises oats, and yet the Senator is a revisionist downward when he comes to the products of my State; not only downward, but downward clear out of sight, until he reaches the free list. The Senator and the committee put 5 cents a bushel more on wheat, an increase of 25 or 30 per cent, and increases the duty on rye to 100 per cent. The duty on buckwheat is increased 5 cents a bushel, again a 25 per cent advance. Rice is the only product of the South that gets an increased duty, a raise from 1½ to 2 cents per pound.

The duty on corn is increased from 15 to 20 cents a bushel, and no nation on earth can compete with us in corn, nor does any nation want to do it. I can not understand what the committee meant by advancing the duty on corn, nor on wheat, rye, and barley.

Mr. ALDRICH. Is the Senator from West Virginia opposing these increases on agricultural products?

*Asks Fair Treatment for West Virginia.*

Mr. ELKINS. Not at all. I am not opposing them in any way. All I ask is that the distinguished Senator will put a fair duty on the products of West Virginia, which are worth just as much—yes, more in many localities—and entitled to the same consideration. All I desire is that the Finance Committee be just, fair, and consistent. This is all I ask for West Virginia at the hands of the committee; nothing more; no discrimination against our products.

Mr. ALDRICH. Is the Senator from West Virginia trying to make a trade with me or with the Senator from North Dakota [Mr. McCumber]?

Mr. ELKINS. I had rather trade with the chairman of the committee, the Senator from Rhode Island. [Laughter.] He can deliver more, and I think West Virginia would get better treatment from him. He is a sound Protectionist.

Mr. President, I do not mean to make any complaint whatever against the chairman of the Finance Committee. I know he is a Protectionist and wants to be just and fair; and whatever infirmities possess him and are apparent

in him in the conduct of this great transaction of framing a Tariff bill they are not due to what he feels, but are due to his surroundings. He can not help this great disparity in the schedules, some enjoying high duties and others none. I know what he means by "West Virginia products." I know we have greater products than lumber. I have named them. We have iron, steel, glass, and many other products, and I may say with our deposits of coal, oil, and gas, our water power, and our great advantages in reaching the markets east and west, one day West Virginia will rival Pennsylvania and New England in mills and manufacturing plants. This is her sure and certain destiny.

*Is the Tariff Local Or National in Principle?*

Mr. President, we ought to decide in the making of this bill one thing that has disturbed the country since Hancock's time, and that is whether the Tariff is national or local in principle and application, whether in making a Tariff there should be fair dealing and no discrimination. I believe a majority of the people of this country have so often declared in favor of a Protective policy as a principle that it ought to be adhered to in the making of a Tariff bill. I believe that all American products competing with products from abroad ought to have some measure of Protection, some share in the distribution of duties, and I think this rule, if adhered to, would satisfy fair-minded people and all good Protectionists.

The Government requires the raising of sufficient revenue if the duties should be justly and fairly distributed to protect every American industry needing Protection. I think the chairman of the Finance Committee will agree to this. The free list should not be increased by putting on it American products competing with foreign products; but rather there should be placed a duty on foreign products that compete with American products, the rates to be fixed according to the conditions and the rule laid down in the Republican platform. I will be perfectly willing, so far as the products of West Virginia are concerned, to do that. We do not ask high Protec-

tion or high duties; we are willing to be left in the low-duty class, but object to putting any of the West Virginia products on the free list or reducing the already low duties now laid upon them.

#### *A Just, Fair and Equitable Revision.*

I believe the average duty of 45 per cent could be reduced slightly by reducing the duties on highly Protected products and putting more duty, low or high, as the case may be, on all foreign products competing with American products. That would be a just, fair, and equitable revision of the Tariff, such as promised in the Republican platform and in the speeches made by President Taft before and since the campaign. I want to adhere precisely to that rule, principle, or policy in making this Tariff. In other words, I want to treat as nearly as may be all American products alike. I mean in the matter of affording some Protection. I do not mean all alike as to rates. The rates should be adjusted according to labor conditions and the difference between cost of labor here and abroad. One thing above all others—we must, in making the Tariff bill, Protect American wage-earners in wages and employment.

#### *It Would Not Be Revision, But Destruction.*

To better illustrate my position, a farmer, a coal operator, a timber owner with his sawmill, and the owner of a woolen mill are all located near the Canadian border doing business, their industries having been in active operation for many years. Each has all of his capital invested, employing labor, paying wages, each making reasonable profits, educating his family, and all being good citizens.

The products of all four industries, however, compete in our market with products of like industries in Canada, and all enjoy some degree of Protection under the Dingley bill and are prosperous. Now, I wish to ask if, in revising the Tariff, is it just and fair to continue high duties and ample Protection on the woolen manufacturer's products and on the farmer's products and levy a low duty, or none at all, on the coal operator's coal and the timber owner's lumber?

Under these circumstances the coal operator and lumber producer would be greatly injured if the duties were taken off their industries or if they should be greatly reduced. So far as the coal operator and the timber owner are concerned, this would not be revision, but destruction.

Now, is this fair? These people live there together. They are honest people, and good citizens, and have all their money invested, and, say what you please, if you let Canadian lumber in free or reduce this duty, it will destroy or impair the lumber industries of the United States as far as Canadian lumber can be hauled by rail cheaper than our lumber can be hauled.

#### *Protectionist in His Own State, Free-Trader in Other States.*

Mr. President, there is no use saying anything to divert attention from the main point in this debate. I know it hurts when a protest is made against injustice and discrimination, and I sympathize with the Senator from North Dakota in the unpleasant and unfortunate position in which he finds himself in trying to be a Protectionist in his State and a Free-Trader in my State, as to its products.

People can not limit themselves to the products of their own States and their own wishes in making a Tariff. The various sections of this country are too closely connected for that. The South can not go forward in the industrial race of the Nation unless she has the same opportunities and enjoys the same advantages as other sections. She can not make the race handicapped with her products on the free list and the products of other sections enjoying high Protection. If her finished and manufactured products are on the free list, or bear only a very low duty, while others are highly Protected, she can not achieve the prosperity and progress to which she is entitled. She would not have a fair chance; she would stand still while other sections would grow and move forward.

#### *If the Price of a Commodity Is Reduced, Wages Must Come Down.*

The best form of distributing wealth known to society thus far is through the payment of wages; if business is

good, wages are good, then the distribution of wealth is greater. We know how to accumulate money, but we have not learned how to distribute it wisely and in the best way that it should be distributed. Let us maintain good wages and not break down the best means for the distribution of wealth we have learned thus far, founded in justice, by breaking down our home industries.

I wish the Republican party could learn, and learn now, in this bill, to treat the people of the South, in the matter of Protection to their industries, as fairly and justly as it treats other sections. I think we would have more Republicans down South if we did. We may not think we need them, but I think the time is coming when we will need them perhaps to take the place of Free-Traders elsewhere. If you increase this Free-Trade list, there is danger that trouble may break out in other sections of the country. We can not maintain Protection in spots.

Let us give the South the same Protection on their products other sections enjoy. I do not mean necessarily to the same degree; I mean the same kind of Protection that is given to other sections of the country. I do not want a duty of 50 or 100 per cent on lumber. We can get along without it. But merely because we can get along with a slight duty, do not deny us the little that we have.

#### *The South Has Power to Enforce the Protection Policy.*

The South has power in this Chamber to-day, if it would unite, to write into this bill reasonable Protection on all her industries, the same as other sections of the Union enjoy. It seems to me Senators should stand together in a common cause to bring about this result. By refusing to do this they will only render aid to the States wanting lumber free and wanting all other products highly Protected.

The South can not prosper equally with other sections of the country if what she produces and manufactures is put on the free list or only a very low duty imposed. Under such conditions she would be obliged to sell her products at low prices and pay high prices for what she consumes. Take

the State of West Virginia: There are about 1,900 sawmills in the State of West Virginia, with a capital invested of \$20,000,000. That is all good, hard money, just the same as is invested in the farm lands and in the products of New England, New Jersey, and Pennsylvania. It is not "stage money," but real money. And now the Senator says: "Well, let that capital be impaired; that does not make any difference. That does not affect North Dakota."

#### *Wages Have Increased More Than Prices.*

The Senator from North Dakota is alarmed at the advancing price of lumber. I will show him later on wages have increased much more. He is not alarmed because of the advance in meat, hay, wheat, and barley, and other products of his State. They may advance in price, and the poor people who are struggling to get them may suffer, but these products need Protection to keep up the price. Let them advance, but great industries like lumber, oil, coal, and iron should take care of themselves and not advance in price.

The advancing price of things applies equally to other products.

In the Tariff hearings before the Ways and Means Committee of the House, on page 3162, the following appears:

Taking the Forest Service report of the output of lumber, lath, and shingles, as distinct from the other manufactures of wood, and which are not under discussion in this brief, and reducing lath and shingles to board measure, the value of the 1907 lumber output, on the basis of \$15 per M feet, f. o. b. mills, was \$630,735,000. As compared with other commodities it is as follows:

	Value.
Lumber products, 1907.....	\$630,735,000
Wheat, 1908.....	546,827,000
Cotton, 1907.....	640,311,538
Wool, 1907.....	129,410,942

I may add: Hay, \$744,000,000; corn, \$1,616,000,000. Hay is highly Protected in order to Protect the farmers of the Northwest, and I am glad of it, though this adds to the cost of the hay the lumberman and coal operator of West Virginia buys.

Mr. BACON. I wish to say to the Senator that the unprotected article of cotton, which he has just mentioned, is worth more than \$640,000,000. With its by-products—that is, the seed—it is \$800,000,000.

Mr. ELKINS. Eight hundred million

dollars. I accept that correction. The Senator is right.

**Value of Farm Products Compared with Lumber Products.**

I will name the value of the crops of Minnesota, Nebraska, Kansas, North Dakota, and South Dakota for last year:

Value of all crops (including corn, wheat, oats, barley, rye, buckwheat, rice, and Kaffir corn).....	\$113,092,602
Minnesota .....	92,056,580
Nebraska .....	112,684,696
Kansas .....	53,928,010
North Dakota .....	44,069,331
South Dakota .....	.....
Total .....	\$415,831,219

These five States want free lumber. It is to their interest, in a local sense, to have lumber free; but shall we, who have other things to protect, vote this high protection for their products and pay it out of our own pockets, while they vote against a duty on our products?

Think of the annual products of lumber being one-third more in value than the agricultural products of the five States I have named, all enjoying high protection!

Mr. President, all that I ask is that in this national policy of protection West Virginia and the South have a fair show. We are already in the low-duty class and we are satisfied to remain there. We do not want our products to be put on the free list nor the duties reduced. They ought not to be reduced in fairness. I appeal to a Republican Senate and a Congress committed to protection, for fairness and justice in the framing of a tariff bill so far as the leading products of West Virginia are concerned.

**Early Protectionists, Washington, Jefferson, Madison, Calhoun, Jackson.**

*From the Congressional Record of May 26, 1909.*

SAMUEL D. McENERY, of Louisiana. In 1793 Washington spoke of protection in his address to Congress. He said the interest and safety of a free people required it; that they should promote such manufactures as would make them independent of others for

necessaries, and above all for military supplies. The House sent the address to the Secretary of the Treasury, and at the next session Hamilton's famous report was received.

Hamilton, like Jefferson, was a Protectionist, favoring the protection of nascent industries.

President Madison, in order to keep alive these domestic industries, which had increased in usefulness during the European wars, urged the passage of the Tariff act of 1812 as a means to preserve and promote the manufactures which had sprung into existence and attained an unparalleled prosperity during the period of the European wars.

Calhoun and Lowndes demanded that protection to home industries should no longer be secondary to a tariff for revenue only. These men thoroughly understood the history of the times which led to the formation of the Federal Constitution. It is safe to say that no statesman of that day and time controverted the fact that the Constitution intended that protection should be given to American industry.

**Madison's Interpretation of the Constitution.**

Mr. Madison said that to interpret the Constitution it is necessary to be acquainted with the nomenclature therein used and the history of events leading to its formation and adoption.

Mr. Madison, who understood the Constitution better than any other person, in his speech in Congress in the debate on the first tariff bill, made memorable by its declaration of a purpose to encourage and protect manufactures, said:

The States that are most advanced in population and ripe for manufactures ought to have their particular interest attended to in some degree. While these States retained the power of regulating trade, they had the power to protect and cherish such institutions. By adopting the present Constitution they have thrown the exercise of this power into other hands; they must have done this with an expectation that those interests would not be neglected here.

The clause in the Constitution to regulate trade and commerce was a specific grant of power to impose a tax for the purpose of protecting domestic manufactures. The colonists

refused to submit to a Tariff for revenue only; but when it came to the regulation of trade and the imposition of a tax for Protection, they entered no complaint. They refused to submit to a Tariff for revenue without representation; but when the question presented was the regulation of trade and an import tax was levied, they submitted, as it had reference to the several parts of the Empire in which they were all interested.

***The Fundamental Principle Is for a Protective Tariff.***

Or, as is expressed in some Democratic platforms, a Tariff for revenue with incidental Protection. In either case it is Protection. Free-Trade policy has no place in our system of government. Revenue to support the Government must be raised by constitutional methods. Practice and experience have shown the most desirable means is by Tariff. No Tariff can be levied without carrying Protection to a greater or less degree. No Tariff law was ever enacted by a Democratic Congress and approved by a Democratic President without affording Protection to some industry. The Tariff law levying the lowest ad valorem duties was the Walker Tariff of 1846. This carried duties of from 5 to 100 per cent, and had distinct Protective features.

The history of the country preceding the adoption of the Constitution affords absolute authority for the assertion that in the framing of the Constitution there was the translation of precedence and experience into constituted authority and obligation for the defense of home interests against foreign trespass.

I do not think anyone has been bold enough to deny the records of Monroe and Madison as being highly favorable to the encouragement by Tariff legislation of American industries.

***Andrew Jackson, Protectionist.***

But what about Jackson, who, next to Jefferson, is looked upon as a Democratic authority?

During the short time of his service in the United States Senate he expressed decided opinions as to the constitutional powers of Congress. He voted in the affirmative on eight different bills providing for internal im-

provements by the General Government, and his vote in favor of the Tariff of 1824, a Tariff founded entirely on the principle of Protection, afforded evidence that he held opinions in accordance with those of Mr. Adams, Mr. Clay, and Mr. Calhoun, who at that time was not of the opinion that a Tariff bill should be constructed for revenue only. He carried the States of New York, Pennsylvania, and Illinois on his record as a Protectionist. The Tariff act of 1828 became a law during the presidential election, and its details were arranged so as to meet political exigencies. It was Protective in its general features.

***Woolen Tariff of 1830.***

It was observed that the act did not furnish sufficient Protection to woolen manufactures. A bill was therefore reported by Mr. Mallary, chairman of the Committee on Manufactures, of the 27th of January, 1830, to regulate the entry of the importations of woolens. It was passed, and became a law by the signature of Andrew Jackson on December 7, 1830.

In 1823 he made it clear, from the following letter, that he favored Protection to American industries:

HERMITAGE, Near Nashville,  
May 17, 1823.

SIR: A few days since, I had the pleasure to receive the grass hat which you had been pleased to present and forward to Mrs. Jackson, as a token of the respect and esteem entertained for my public services. Permit me, sir, to return to you my grateful acknowledgment for the honor conferred upon us in this token. Mrs. Jackson will wear with pride a hat made by American hands and made of American materials. Its workmanship, reflecting the highest credit upon the authors, will be regarded as an evidence of the perfection which our domestic manufactures may hereafter acquire, if properly fostered and Protected. Upon the success of our manufactures, as the handmaid of agriculture and commerce, depends, in a great measure, the independence of our country, and I assure you that none feel more sensibly than I do the necessity of encouraging them. For this instance of your respect and esteem, and the flattering language with which you have noticed my public services, accept, sir, my most sincere thanks.

With great respect, your very obedient and humble servant,

ANDREW JACKSON.

Col. ROBERT PATTERSON, Philadelphia.

**Samuel J. Tilden a Protection Democrat.**

Samuel J. Tilden was a Protection Democrat in the sense that Jefferson and Jackson and Monroe and Madison were favorable to the encouragement of home industries by Tariff legislation. I make this statement on the authority of the New York "Commercial Advertiser," a paper which makes no reckless statements; also upon the authority of Bigelow's "Life of Tilden," which contains, under Tilden's own signature, a declaration of his Protective ideas. It is true that his biographer says that there were reasons to believe he had modified his views, but he qualifies this statement by saying that in all the discussions of Tariff during his active and eventful life there is no statement from him to that effect.

Samuel J. Tilden, a Protection Democrat, was repeatedly honored in his State and in the Nation by the Democratic party. I might also add the name of Silas Wright, the greatest Democrat of his day on the continent. He had no peer, and he was an avowed Protectionist until he came to Congress in 1846 and voted for the Walker Tariff bill, and he could do so without any violence to his principles by the Protection that it afforded.

**Recent Changes in Democratic Opinion.**

I may further add that it is gratifying, Mr. President, that at this session of Congress we notice a great change of opinion among Democrats in voting here for a tax on raw materials, when at one time it was considered a cardinal principle of Democracy that raw materials should be admitted free. I hope that the conditions of the country, its necessities, and the liberality generally which is prevailing among all classes of the people may dictate to the Democrats that they will abandon all of the absurd theories of Free-Trade and of a low Tariff and come with the great body of the people and vote for a liberal Protection to all the manufacturing interests of the country, to make them independent, as the fathers of the Republic declared, of all foreign countries.

What has been the record of the party on this Tariff question? We need go back no further than to the platform of 1884. It was a platform

for Protection. It fully met the constitutional requirement for the raising of a revenue by Tariff, and at the same time affording Protection to American industries. The Tariff plank in that platform recited:

**Democratic Tariff Planks.**

Knowing full well, however, that legislation affecting the operations of the people should be cautious and conservative in method, not in advance of public opinion but responsive to its demands, the Democratic party is pledged to revise the Tariff in a spirit of fairness to all interests. But in making reduction in taxes it is not proposed to injure any domestic industries, but rather to promote their healthy growth.

This is exactly what is being done by this bill. It is making a reduction, and, so far as my examination of it has gone, there has been no injury to any domestic industry, nor has there been imposed in any of its schedules any burden upon the people.

From the foundation of this Government taxes collected at the custom-house have been the chief source of federal revenue. Such they must continue to be. Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved. The process of reform must be subject in the execution to this plain dictate of justice—all taxation shall be limited to the requirements of economical government. The necessary reduction and taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.

The platform of 1888 also said:

Our established domestic industries and enterprises should not and need not be endangered by the reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries and enterprises by giving them assurance of an extended market and steady and continuous operations.

This is a clear enunciation of the principle of a Tariff to raise a revenue and at the same time afford Protection. Under these platforms there is ample authority for the present Tariff bill.

The Chicago convention which nom-



inated W. J. Bryan put in its platform even a stronger declaration. The word "only" was purposely omitted. Under this platform I have the authority of a prominent and influential journal, a supporter of the bolting Indianapolis convention, for saying that ample authority can be found for the sustaining of my course in supporting the Dingley Tariff bill. I accept its interpretation of that platform, and those who criticise my course and conduct must repudiate the declaration not only of that convention, but of the Democratic convention and platforms of 1884 and 1888.

### *The South Is Undergoing an Industrial Revolution.*

Manufacturing interests are daily springing into prominence. These, with the agriculture and mining interests, will require in any Tariff bill adequate and impartial Protection. The young Senators of the South, who have voted for the Protection of local interests, approach near the sealed springs of prosperity. But a short step forward and they will unlock them and stand in the gray dawn of a splendor in industrial development that awaits the South. The fact is, opposition came from the South to the Tariffs of 1824 and 1828 because she was exclusively agricultural and depended upon slave labor. It was a sectional opposition. Slavery has gone. The South is no longer exclusively agricultural. Her future greatness and influence must spring from the addition of mining and manufacturing wealth to her agricultural interests. These facts are dawning upon her. Her younger statesmen will understand them.

I affirm that the true doctrine of Democracy is in line with the rapid and progressive development of our country. I deny that its principles are directed to the destruction of our industrial system, the putting out of furnace fires, the silencing of the busy hum of our looms or the whirring of our wheels, or, worse than all, to the paying of a premium to foreign pauper labor and the impoverishment of our toilers in every industrial occupation.

### *Hamilton Held Good Democratic Doctrine.*

In Hamilton's report (1790) upon

"commerce and manufactures," there is not one thing said that is not good Democratic doctrine. It committed the Nation to the Protective system. It brought the people, irrespective of party, to the support of the Tariff act of 1789, which was the practical beginning of a Protective era lasting until 1816. All Tariff legislation until that date was Protective; all received the support of both parties—Federalists and Republicans (Democrats). The Tariff act of 1794, which increased duties to raise a greater revenue, found stronger support among Republicans (Democrats) than among Federalists. The Republicans were more inclined to its support because of their opposition to the excise tax of the previous session. On March 26, 1804, an amended Tariff act was passed still further increasing duties. The Republicans were in power, and Thomas Jefferson, the great apostle of Democracy, was President.

The acts amendatory of the act of 1789 were all in the line of Protection. During this period Washington said in his message:

Our agriculture, commerce, and manufactures prosper beyond example—every part of the Union displays indications of rapid and various improvement, and with burdens so light as scarcely to be perceived.

Mr. Adams, in his last message, said:

I observe with much satisfaction that the product of the revenue during the present year is more considerable than at any former period.

### *Thomas Jefferson, Protectionist.*

Thomas Jefferson, in his second annual message, said:

To protect manufactures adapted to our circumstances is one of the landmarks by which we shall guide ourselves.

That Tariff produced an excess of revenue. In speaking on the subject, in his sixth annual message, he said:

Shall we suppress the imposts and give that advantage to foreign over domestic manufactures? On a few articles of more general and necessary use the suppression, in due season, will doubtless be right; but the great mass of the articles on which imposts are laid are foreign luxuries, purchased only by the rich who can afford themselves the use of them.

At the present day, if duties were imposed only upon articles used by

the rich and high enough to provide the revenue needed by the Government, there would be absolute prohibition, which has been so much discussed as the ruling idea in the bill sent to this Senate by the House.

*James Madison, Protectionist.*

In a special message, in May, 1809, President Madison said:

It will be worthy of just and prudent care of Congress to make such further alterations in the laws as will more especially Protect and foster the several branches of manufacture which have recently been instituted or extended by the laudable exertions of our citizens.

The Tariff of 1808 was Protective in laying an impost duty on cordage, glass, nails, salt, and many manufactures of iron. Protection of textiles and of unmanufactured iron had received no attention, but the Berlin and Milan decrees and the English orders in council and the declaration of war against Great Britain drew attention to the necessity of a revenue Tariff with Protective features.

Mr. Madison urged the passage of the Tariff act of 1812 "as a means to preserve and promote the manufactures which have sprung into existence and attained an unparalleled maturity during the period of the European wars." Calhoun and Lowndes joined with Clay in a demand that Protection to home industries should no longer be secondary to a Tariff for revenue only. The Republican party of that time, to which the present Democratic party is a successor, quoted the report of Hamilton to sustain their position upon which the earlier Tariff acts had been based.

*Protection in the Democratic Tariff of 1812.*

This position of the Republicans caused the Federalists to ignore the traditions of their party faith and to take the anti-Protection side of the controversy. The Democratic Tariff of 1812 imposed the highest rates of duty since the foundation of the Government until 1842. It was, it is true, a war tax, in aid of Democratic support of the war. The existing rates doubled. Sugar received Protection to the extent of 5 cents per pound, coffee was taxed 10 cents, tea 36 cents, pig iron 30 per cent, bar iron 30 per cent,

cotton manufactures 30, woolen 30, and silk 25.

The Tariff act of 1816 was in its entirety Protective, rendered necessary by the recent war, but its fatality was in taking from it Protection after three years. In 1819, when Protection under the act reached the minimum, Great Britain began to flood the country with her surplus wares. More than twice the quantity needed by this country was imported. There was depression in business, and general bankruptcy was the result. Thomas H. Benton described the condition of the country as follows:

No price for property, no sale except those of the sheriff and marshal, no purchaser at execution sales save the creditor or some money hoarder, no employment for industry, no sale for the products of farm, no sound of the hammer save that of the auctioneer knocking down property. Distress was the universal cry of the people; relief the universal demand thundered at the doors of legislatures—State and Federal.

*A Panic When Protection Reached the Minimum.*

Relief was offered in the extension for seven years of the provisions of the Tariff act of 1818. It was abortive. A panic lasting for several years followed, and relief became imperative. President Monroe urgently recommended "additional Protection to those articles which we are prepared to manufacture." The Tariff act of 1824 was framed. Mr. Calhoun now became the leader of the Free-Traders.

Andrew Jackson and James Buchanan supported the bill, which recognized the doctrine of Protection in a revenue bill more emphatically than any former revenue act. Opposition to the bill was more on sectional lines than from any well-defined principle. The bill fully recognized the "American system" as a living principle in our politics. Sugar received an import duty of 3 cents per pound; coffee was taxed 5 cents; tea, 25 cents; salt, 20 cents; pig iron, 20 per cent; bar iron, \$30 per ton; glass, 30 per cent and 3 cents per pound; manufactures of cotton were taxed 25 per cent, and silk 25 per cent.

*Andrew Jackson on Protection's Benefits.*

There was such improvement in the financial and industrial condition of

the country that the supporters of the act were encouraged to try further efforts in the direction of raising the revenue, with incidental Protection, a necessary and desirable adjunct. In the Twentieth Congress the Democrats were in the majority, but they were divided over the Tariff. Those of the North voted with the Whigs and passed the Tariff act of 1828. Jackson had carried New York, Pennsylvania, and Illinois by his Protective Tariff record, and the act was in a measure a Jackson Tariff law.

This act also emphasized the "American" idea, and there was Protection in every change of the act of 1824. Jackson said of the Protective act of 1824-1828, in his message of 1832:

Our country presents on every side marks of prosperity and happiness unequaled, perhaps, in any portion of the world.

The history of Tariff legislation shows that the general tendency of public opinion is in the direction of a Tariff for revenue, and Protection necessarily following as an inseparable incident. The policy of this bill, at least, is for a Protection of American industries. That a Tariff bill on this principle will be enacted is a certainty.

#### *Louisiana Is Vivaly Interested*

in the production of salt, lumber, rice, sugar, sulphur, and cotton. The pending bill makes no discrimination in the arrangement of the schedules for revenue against these products. Why should she stand idly by and decline to accept the benefits to be derived from the necessary levying of revenue by impost duties?

Call it what you will—Protection or a revenue Tariff with incidental Protection—millions of dollars have to be raised and the benefits of Protection from it distributed. Why, then, should the people of Louisiana resist the building of cotton factories, furniture factories, the erecting of sawmills, the opening and improving of sugar fields, and the erection of central factories, the opening of salt mines, and hundreds of other industries that are just now coming into existence? I say, so long as it is the policy of this Government to have a Protective law, it would be a suicidal policy for the people of Louisiana to decline to demand

the benefits tendered in a law which is general in the arrangement of its schedules and impartial in the duties it imposes and nonsectional in its character.

#### *The South Vivaly Interested.*

The South is more interested in the proper levying of a Tariff than any other section of the country. Her development and manufacturing interests in the last three decades have been marvelous. This has been in spite of Free-Trade ideas and the Free-Trade policy. Had there been a demand for adequate Protection to her cotton mills and other industries, her wealth would have doubled. Field and factory, the spindle and the plow being in close relationship, would have doubled her productive capacity, which have given tenfold value to her lands, would have multiplied her population with an intelligent and industrious people, would have rescued her from debt, and there would be now no borrowing from foreign mortgage syndicates, where principals are doubled in five years by usurious interest.

#### *Tariff Without Protection Never Contemplated by the Founders of the Government.*

I stand to-day with Jefferson and Jackson on the Tariff issue founded on sound constitutional interpretation. There is not a State in the Union which, if it had the power, would not exercise it to Protect its domestic interests. It is known to all that this absence of self-Protection led to the jarring jealousies under the Articles of Confederation and resulted in the present power in the Constitution for the laying of import duties and the regulation of commerce by the Federal Government and prohibiting their exercise of the States.

There is no restriction in the Constitution in the exercise of this power limiting it to a Tariff for revenue only. On the contrary, it was the intention that the power should be exercised in the interest of Protecting the industries of each State, which the States separately, when they had the power, were unable to do. A Tariff for revenue without Protection was never contemplated by the founders of this Government. There may be difference of

opinion as to the schedule rates in a Tariff bill, but on the facts presented in each case any Democrat has a right to exercise his individual opinion for the best interests of the country. Neither the Democratic party nor the Republican party has a right to demand that any man shall forfeit his allegiance to the Constitution by joining a party demand for an administration of affairs contrary to that Constitution.

### *Fearful Consequences of the Free-Trade Tariff of 1857.*

The Thirty-fourth Congress went over to a Free-Trade policy in the passage of the Tariff act of March 2, 1857. Immediately thereafter foreign goods flooded the country, for duties along the entire line of imports of leading articles were reduced almost to the rates of the compromise act of 1833.

Within six months after the passage of the act there was a great panic. Ruin was widespread and all branches of industry were disastrously affected. There were 5,123 failures, and the Government had again to borrow money for current expenses. The public debt increased \$46,000,000, and the expenditures exceeded the receipts by \$77,234,116. President Buchanan, in his message, said:

With unsurpassed plenty in all the productions and all the elements of natural wealth our manufactures have suspended; our public works are retarded; our private enterprises of different kinds are abandoned; thousands of useful laborers are thrown out of employment and reduced to want. We have possessed all elements of material wealth in abundance, and yet, notwithstanding all these advantages, our country, in its monetary interests, is in a deplorable condition.

The Tariff act of 1861 increased duties all along the line. The act was framed on just principles to provide a needed revenue, and at the same time to incorporate and confirm the doctrine of Protection, giving a helping hand to labor and encouraging home production and manufactures. There were several amendments subsequently made to the act, all in the line of Protection, and rendered necessary by the exigencies of war.

### *Tariff Does Not Add to Selling Price.*

It is urged as an argument against a Tariff embodying any Protective idea

that it will cause an additional price to be added to the Protected article and thus impose a burden upon the consumer.

In 1790 Mr. Hamilton asserted that—

Internal competition is an effectual corrective of monopoly and in the end leads to a lower scale of prices for Protected manufactures than prevailed for foreign.

Experience has demonstrated this to be correct. It is within the memory of many Senators that in certain lines of goods European nations practically monopolized the trade in this country, and we had to pay high prices for them. By Protecting the manufacturers of such goods, they have multiplied in this country. They fully equal the imported goods, and we now get them at a greatly reduced price. They are within the reach of the poorest.

### *Democrats Who Vote for Protection.*

Whenever Congress attempts Tariff legislation there are Democrats who contend for and vote for the Protection of the industries of their States. They endeavor to get as high Protection as possible, and it is a rare instance when one offers an amendment to reduce the Tariff rate applicable to the interests in the State he represents. In this way they aid and assist in making the Tariff Protective, and then vote against it because it is Protective.

A principle can not be violated in one particular instance without discrediting the whole doctrine which it supports. It would be more consistent to vote for the bill, unless in other respects it is objectionable. There can be no excuse for voting against it by those who helped to make it Protective because it is of that character.

I have endeavored to show that Protection to American industries is a constitutional obligation; that a Tariff for revenue only was never contemplated by the fathers of the Republic; that revenue and Protection are separate provisions in the Constitution, the former being provided for by a distinctly constitutional method, but as a most convenient means of raising revenue for the support of the Government a Tariff was resorted to; that the constitutional obligation to encourage and Protect the industries of the country still remain. This is clearly dem-

onstrated by the first Tariff law and the amendments to the same.

### *An Appeal to Southern Senators.*

Mr. President, I want to know from the Southern Senators who have voted and expect to vote for a Tariff upon lumber, what difference they find between that and imposing a high Tariff on the importation of sugar. They have so voted, as they proclaim, in order to satisfy the demands of their party for the purpose of raising revenue. Compare the revenue from the importation of lumber, amounting, I think now, to probably \$2,000,000, with the \$60,000,000 that was brought into the Treasury of the United States by the tax on sugar.

Therefore, I appeal to the Southern Senators to go beyond their localities and abandon their absurd idea and theory of a Tariff for revenue only and vote for and be liberal in supporting the industries of the United States. They have claimed that sugar should come in free, practically, because it is one of the prime necessities of life. These gentlemen profess to follow Thomas Jefferson in every theory that he enunciated, and they hold in sublime faith every utterance that he made. He said repeatedly, and so did Washington, that there should be a duty upon the necessities of life, for the reason that this country should not be dependent upon any foreign government for necessities required for the use of the people.

### *Break Down the Tariff Wall and You Break Down Industries.*

Mr. President, other countries have expended vast sums of money in order to create sugar industries. How much has France spent since the time that Napoleon first encouraged the cultivation of the beet and its manufacture into sugar? How much money has Germany spent? Millions of dollars; and Germany to-day is holding her sugar for the purpose of getting a market in the United States and destroying the industries of our own country. She is looking not only to this country for the introduction of her manufactured sugar, but for all her other manufactured goods. I notice by the papers that there were 189,000,000 pairs of stockings land-

ed in the city of New York, every one of which will be labeled "Made in Germany." So it is with her other industries. Break down the Tariff wall in the interest of foreigners and the consequence will be the destruction of our own manufactures.

Mr. President, just as certain as I am standing here, if a low Tariff is placed upon sugar, so that the Germans can reach here with their refined sugar and the Austrians can reach here with their refined sugar, and the Italians, who are now shipping their sugar here with the other beet-producing and beet interests in Europe, can reach here, I say that, within twelve months after the introduction of that sugar, there will not be a single plow running in the cane fields of Louisiana, there will not be a single beet raised anywhere in the beet-raising States, the industry will go out of existence and will be entirely at the mercy of the people who will have a monopoly and impose higher prices than we now pay for sugar.

### **Is Not Blind to the Excesses of Protection.**

*From the Congressional Record of May 27, 1909.*

ALBERT J. BEVERIDGE, of Indiana. We mean, according to the expressions of the President, to take the Tariff entirely off when, as he says, it serves no good purpose and when the industry has grown by its aid to such proportions and such strength that "it can stand alone and fight its battles in competition with the world."

I challenge any man upon this side of the Chamber, I challenge any man in the country, to be a more devoted adherent to the great policy of Protection than I. I drew it into my blood with the earliest moments of my life; I have seen its splendid results manifested ever since I reached the years of comprehension—but I am not blind to its excesses.

I look back with pride and inspiration upon those who founded and those who nourished the Protective policy from the time of Washington and Hamilton, and then of Clay, who called it "the great American system"; and then of Lincoln, whom it helped to

keep great armies in the field; and then to McKinley, and down to the days of Taft; and, on the whole, I have seen it here, as it has done elsewhere, shower blessings upon all over whom it in beneficence hangs.

### *Selling Goods Cheaper Abroad.*

Mr. SMITH, of Michigan. In just one word, if the Senator from Indiana will permit me, I want to say that it does not annoy me at all to think that goods made in excess of our needs in this country may be sold in Europe cheaper than at home.

Mr. BEVERIDGE. It does not annoy me at all, and it did not annoy the President at all. The President gave in two or three lines an excellent answer to that—the answer we all know of.

Mr. SMITH, of Michigan. Let me give one in one sentence.

Mr. BEVERIDGE. You can give another one if you want.

Mr. SMITH, of Michigan. The wages that were paid to the men who produced the surplus products were the wages that are prevalent in our own country and not the wages of Europe. So that, if we pay the standard American wage in the manufacture of a product to be exported to Europe, I am the last man that will complain about the price the manufacturer gets for it over there.

Mr. BEVERIDGE. Nobody ever said that anybody was complaining of that; nobody ever heard of it. The Senator is introducing another subject. What the Senator said sounds just as good as it is true. I do not think—and my admiration for him is unbounded—that the Senator has improved very much upon the President's explanation. Nobody who keeps up with the economic conditions of the world complains that goods are sold abroad cheaper than at home.

### *No Free-Trade on the Republican Side.*

It has been said that there is Free-Trade on this side of the Chamber. No, Mr. President, not a single microbe of it. Those who are called "reductionists" upon this side, as I have said four or five times, believe that they are acting in the interest of the Protective principle, more fearlessly, and with more far-seeing wisdom, than

those who maintain the old attitude that there must be no yielding to conditions. No; there is no Free-Trade here, but will anybody deny that there is Protection over there? Of course it is there; the votes and some of the franker speeches show it; but as the Senator from North Dakota [Mr. McCumber] pointed out the other day, the votes on that side show the unwise zeal of the convert rather than the seasoned wisdom of the life-long Protectionist.

### *Protection's "Roll Call" of Southern States.*

Why, Mr. President, if it were not for one great local question, Protection would have swept the South in the last campaign, as, in my judgment, it will sweep the South within two campaigns to come. If Protection should to-day call the roll of the States, I think that you would almost find now what certainly Protection will find when it calls the roll of the States in a few brief years, that the Northern States would answer "Here," and, as their names are called, Southern States will answer "Here"; Tennessee will answer "Here"; Georgia will answer "Here"; Alabama will answer "Here"; Florida will answer "Here"; and even Mississippi, perhaps, will answer "Here." Kentucky and Missouri have answered "Here" already; and Oklahoma nearly answered "Here" in the last election—she will shout "Here" in the next.

I see this great economic system, which Henry Clay declared was "the American system," invading—no, capturing—the South, whose people it is enriching. If there is any change at all, looking into the future, it will be that New England may become increasingly Free-Trade, and that the South will become increasingly Protectionist.

### *Immaterial What Name You Call It.*

It is immaterial to me, Mr. President, by what name Senators call a thing, whether revenue or whether Protection, so the result be the same. Senators on that side have said that they voted for a Tariff on iron ore as a revenue duty; Senators on this side have, in the same moment, declared that they voted for the same

Tariff on the same thing as a Protection duty.

The Protective theory is conquering the Democratic party, and perhaps the great division of the somewhat distant future between parties will cease to be that of the Tariff at all, because it will come to be universally recognized, even by extreme theorists, that the Protective Tariff is the settled policy of the American Republic, regardless of parties; and that parties will then divide upon other questions.

Mr. President, just this word further about a Tariff for revenue only. Those who have noted—I will not say studied—the progress of Tariff movements throughout the world must know that a Tariff for revenue only has deliberately been abandoned by every modern nation in the world, excepting only Great Britain; and that even in Great Britain the largest reform that that Empire has seen since Cobden's day is the present movement for the abandonment of what Mr. Balfour, who is leading that movement, calls "the moth-eaten and outworn system of a Tariff for revenue only," which, he says, if continued, will bankrupt the United Kingdom.

#### *Tariff-For-Revenue-Only Countries.*

Nothing is more certain in the future than that that mighty movement, backed by the progressive producers of the United Kingdom, led by such men as Chamberlain, their theories voiced by such mighty intellects as Balfour, will succeed within less than a decade. They themselves know that so thoroughly that out of their own private pockets the manufacturers of Great Britain have established a great board of experts to prepare a Protective Tariff bill to be ready against the day of their success. And it is a literal fact of history that no reform movement in the English-speaking world has made such rapid progress as the Protective theory is making in Great Britain.

Outside of Great Britain I believe the only countries to-day—and I will be glad to be corrected if I am wrong—that adhere to a Tariff for revenue only are China, Turkey, Afghanistan, Beluchistan, Abyssinia, and such other like progressive countries. All others are Protective countries. In Germany

the system of Protection sprang up, and it did for her what it did for us. It built her factories, it opened her mines, it developed her industries, it made her rich; and then, because of her narrow confines, she saw that she must capture the markets of the world, and with the methods of the studious German mind she took and developed our single Protective system into a double Protective system—a system that gives one Tariff to countries which will not grant her concessions, and a better one to those that do; a system so advanced that in ten years it has given Germany almost the leading place in the world of foreign trade.

#### *Republican Party Will March to Victory.*

Some Senator said something here a few moments ago about divisions in the Republican party. I think it was my friend from Michigan who said that. I do not know that I can 'better close than by saying that nobody within our party can have, and nobody without our party need have, any alarm for our party future; because when all is done it will be found that excesses have been reduced and justice established, all by one broad, general principle, and an equal desire among us to do exactly what is right from our different points of view. And, so when the day of battle comes, the Republican party will be found disciplined, compact, aggressive, marching forward in the future, as it has in the past, to victory for itself and to blessings for the Nation.

#### **If the Sugar Trust Were the Only Interest Involved, the Sugar Tariff Would Find Few Friends.**

*From the Congressional Record of May 27, 1909.*

JULIUS CAESAR BURROWS, of Michigan. A general assault has been made on this schedule, chiefly because of the duty on refined sugar and the supposed connection of the American Sugar Refining Company, commonly called "the trust," with the sugar industry, and no assault made has been more violent and aggressive than that made by the Senator from Kansas [Mr. Bristow], who has just taken his seat.

Let me say at the outset that the

course of the American Sugar Refining Company, as recently disclosed, has been so scandalous and reprehensible as to forfeit public confidence in its integrity and business methods and bring reproach upon the entire refining industry.

If the American Sugar Refining Company was the only interest involved in this controversy, it would find few friends here or elsewhere. But there are other interests to be considered. There are 64 beet-sugar factories in the United States, each a refinery, which turned out in 1908 425,884 tons, or 851,786,000 pounds of refined sugar, and any blow inflicted upon the American Sugar Refining Company would necessarily injuriously affect the cane planters of the South and the great and growing beet-sugar industry of the North and West, in which the farmers and planters of 20 States are directly interested, and would, in a broader view, affect all the people of all classes and of all the States by exposing this agricultural industry as a whole to serious and disastrous foreign competition, resulting not only in arresting its further development, but speedily overthrowing the industry itself. It is in behalf of this industry I propose to speak.

#### *The One Great Republican Doctrine.*

Mr. President, if there is any one doctrine to which the Republican party adheres with greater fidelity than another, it is the policy of Protection to American industries and American labor. In season, and out of season, in victory or defeat, it has adhered with unyielding tenacity to this cardinal principle of its political faith.

In levying duties, upon imports the Republican party has always taken care to so adjust rates as not only to raise revenue for the needs of government, but at the same time create and develop new industries which in their unfolding would give enlarged employment to labor, increased opportunity for the investment of capital, open fresh avenues for human endeavor, and promote the general welfare of the American people.

To this end new enterprises have always been the objects of special care and solicitude, and under this policy numberless industries have been created and established.

One of the latest and most striking illustrations of this policy is to be found in the tin-plate industry. By the act of 1890 the duty on tin plate was advanced for the avowed purpose of "making the duty on foreign tin plate high enough to insure its manufacture in this country." It accomplished that result. At that time there were only four mills in the United States, producing but 4,000 tons of tin plate, while our annual consumption was more than 300,000 tons. In 1889, the year before the imposition of this duty, we imported \$21,000,000 worth of tin plate, and ten years later, in 1899, only \$2,000,000 worth. By the last census report it appears that the number of establishments has increased to 36 and the value of output to \$39,283,360. This is but one of the many industries brought into existence through the fostering care of the American Government.

#### *Sugar an Important Agricultural Industry.*

The pending proposition has to do with another industry of vital concern to the American people, involving the production of a prime necessity of life, and directly affecting the great agricultural interests of the United States. We are the largest consumers of sugar of any nation on the globe, totaling, in 1908, 3,072,589 tons. Of this enormous consumption we produced last year from beets 380,000 tons; from cane, 390,888 tons; from maple, 11,000 tons; and from molasses sugar, 5,910 tons, a total domestic product of 787,798 tons. In addition, we received from Hawaii 453,250 tons, from Porto Rico 185,085 tons, and from the Philippine Islands 45,089 tons, making an aggregate from the States and our insular possessions of 1,471,222 tons, leaving a balance to be supplied from foreign countries necessary to meet the home demand of 1,601,307 tons.

The problem confronting us to-day is whether we shall produce this sugar from our domestic beets and cane, or abandon our fields, continue to pay tribute to foreign countries, and send abroad \$100,000,000 annually to supply ourselves with this prime necessity of food, every dollar of which ought to be kept at home to enrich our farmers and diversify our agricultural products.



### *Development of Beet Sugar Production.*

What would it mean, may I ask, to the American people, to American capital, and American labor, and particularly to the American farmer and planter, to develop this industry to the full extent of producing our entire consumption of sugar?

It appears from the report of the Secretary of Agriculture that we have already established in this country 64 factories in 16 different States and Territories, representing an invested capital of \$70,000,000.

I have a table showing the amount of beets raised in 1897 and in 1909, which I ask leave to insert in the Record without reading, from which it appears that in 1897 the total of sugar beets harvested was 389,000 tons in round numbers; in 1908, 3,414,000 tons. The amount paid to the farmer for beets in 1897 was \$1,596,000, and in 1908, \$18,269,000. Without going into details further, I will state as the result of the ten years' trial since the beginning of the industry we have produced in this country 24,245,000 tons of beets and paid to the farmers \$121,000,000.

Beyond this, Mr. President, contemplate what it would mean to our people if this industry could be so developed as to supply the entire demand for the American market. We would not only keep at home the \$100,000,000 annually sent abroad for foreign sugar, but it would mean the building of 300 additional factories, which would require in their construction, equipment, and operation \$330,000,000.

To supply all our factories, then, with the raw material would require annually the production of 19,017,000 tons of beets, for which the American farmers would receive yearly the sum of \$102,813,000. To this must be added an outlay for coal, transportation, mill supplies, and labor aggregating more than \$225,000,000 annually. It will not do to say that such a development of the industry is not attainable. It has been demonstrated that we have a vast area of territory, stretching from the Atlantic to the Pacific, especially adapted to the cultivation of sugar beets, and it is the expressed opinion of the present able Secretary of Agriculture that if the present Protection accorded to this industry should be continued

with adequate Protection it will not be ten years before we will produce from our farms and factories all the sugar required for our home consumption.

The development of this industry to the extent already attained is attributable in a large measure, if not entirely, to the Protective policy.

### *Legislative Encouragement.*

The Tariff act of 1890, bearing the name of its illustrious author, provided a bounty of 2 cents per pound annually for every pound of sugar produced from cane or beets or other named sources in the United States. The Committee on Ways and Means in submitting that bill to the consideration of the House of Representatives accompanied it with a report prepared by William McKinley himself, in which it was confidently predicted that the Protection accorded the sugar industry of 2 cents per pound would insure the establishment of this industry and the ultimate domestic production of all the sugar required for our home consumption.

In presenting the measure to the House of Representatives, Mr. McKinley declared:

While giving the people free and cheap sugar we have at the same time given to our producers, with their invested capital, absolute and complete Protection against the cheaper sugar produced by cheaper labor of other countries.

Under the stimulating influence of this legislation, the sugar industry took a fresh impetus and the output of sugar increased from 131,000 tons in 1890 to 337,000 tons in 1894, while the product of beet sugar alone advanced from 3,000 tons in 1890 to 20,000 tons in 1894, in the brief period of four years.

### *Sugar under the Dingley Tariff.*

In 1897 the Tariff was again revised and the sugar industry given special encouragement. A measure formulated by Nelson Dingley and sanctioned by President McKinley would necessarily inspire confidence in the purposes of the dominant party to see to it that so long as that party remained in power the sugar industry would be fostered and encouraged. The people had a right to rely upon the assurances thus voluntarily given. Mr. Dingley in pre-

senting the measure to the House of Representatives accompanied it by a report in which he called special attention to the "increase of the duty on sugar," and set forth in no uncertain words the benefits expected to accrue to the farmers and planters of the United States. I quote from that report:

We have increased the duty on sugar from the 40 per cent ad valorem imposed by the present Tariff on raw sugars to 1.63 cents, with a countervailing duty on all sugars equivalent to the net export bounty paid by any country in order to increase our revenue and at the same time afford sufficient Protection to enable our own farmers and planters to ultimately produce whatever sugar we may require for consumption. The production of cane sugar is a large, and, under proper Protection, a growing industry now.

The production of beet sugar in at least 23 States of our Union, which only seven years ago was regarded as of doubtful promise, is no longer an experiment, but a demonstrated success with such Protection as we recommend, which is less than those bounties given at the inception of sugar production by Germany, France, and other European countries, which now produce about two-thirds of the world's sugar.

The time has come when every effort should be made to open up new crops to our farmers, and thus diversify and promote our agriculture; and no crop in sight affords more hope of success or greater advantages to the whole country.

To open up such a new and valuable crop to our farmers is a boon which Congress should not hesitate to give, especially at a time when it can be done in the interest of revenue.

#### *How Best to Clip the Wings of the Sugar Trust.*

Mr. Dingley, in presenting the bill to the House, called special attention to that provision of the measure relating to the duty on sugar and the advantages sure to follow its enactment into law, saying:

It should be borne in mind that the general increase of duty on sugar made in the proposed Tariff has been made not only to increase the revenue, but also to further encourage the production of beet sugar in this country and furnish a new crop for the farmers, who are being sorely pressed as to our large wheat surplus by Russian and South American competition. I believe that the time has come when the production of our own sugar from the beet ought to be and can be successfully entered upon, and thus the seventy-five millions—soon to be one hundred millions—sent abroad for the purchase of our sugar ultimately dis-

tributed here to our own farmers. Already, indeed, it has been demonstrated that we can successfully produce beet sugar here, and the proposed duty placed on that article will gradually bring this about, while for the time being affording increased revenue.

Certainly nothing can be done so successfully clip the wings of the Sugar Trust as to develop our beet-sugar industry. Sugar-beet factories turn out their product in a refined form, and thus become the efficient competitors of other refiners. The successful establishment of the sugar-beet industry in even half of the 26 States which can and will successfully grow sugar beets under the proposed Tariff would speedily end any sugar trust, and would at the same time confer immense benefit on our farmers and on all of our people.

#### *Beet Sugar in the State of Michigan.*

Mr. President, I have already shown the extent to which this industry has been established in this country at large, and its possibilities for the future, but I desire to call special attention to the industry in my own State, with which I am personally somewhat familiar.

Encouraged by the inducements held out by the National Government, the people of Michigan entered upon the culture of sugar beets with alacrity and enthusiasm, devoting their acreage and their fortunes to the establishment and upbuilding of an industry which has already been of great advantage to our farmers and given promise of rapidly increasing benefits.

Prior to 1898 there was not a beet-sugar factory in the State of Michigan, and to-day there are 16, requiring for their construction and equipment \$15,000,000, and their successful operation necessitating last year the planting of 81,073 acres of beets, producing 611,295 tons of beets of the average value in the United States of \$5.35 per ton, yielding an income to our farmers in a single year of \$3,270,000.

But the advantage of this American industry does not stop here. To run the 16 factories in Michigan a full campaign of one hundred days required, last year, 193,500 tons of coal, costing \$503,100; 68,700 tons of lime rock, worth \$144,270; 8,244 tons of coke, valued at \$49,464; 350,000 pounds of sulphur, \$8,000; 208,000 yards of filter cloth, costing \$20,500; 36,000 gallons of oil, for which we paid \$7,500; chemi-

cals worth \$27,500; 1,224,000 sugar bags, valued at \$134,640; and coo-perage stock of the value of \$125,000.

In addition to this, more than \$75,000 were expended for miscellaneous supplies necessarily used in running these factories. Strike down this industry and you cut off all these other additional sources of profitable employment, and by so much contract the field of industrial activities.

But this is not all. Four thousand men were employed in our factories, to whom was paid more than \$900,000 in wages, and this exclusive of farm laborers. The railroads received for freight charges for hauling the incoming and outgoing product \$750,000, while the value of the product of beet sugar produced in our State last year, estimated at 4½ cents per pound, was \$7,677,000.

#### *Foreign Competition as a Remedy for Trusts.*

But the suggestion is sometimes made that the trusts can be destroyed by exposing them to unrestrained foreign competition. What a remedy! Under such a law all the foreign manufacturer would need to do to break up an American industry would be to come here and establish it, form a combine, and then invoke the enforcement of the law against trusts and combines, and so secure the American market for the foreign producer. But I will not enlarge upon it.

The folly and injustice of the attempt through customs duties to destroy trusts and combinations was never more forcefully and completely answered than by ex-President Roosevelt in his letter of acceptance of September 12, 1904, in which he says:

At the outset it is worth while to say a word as to the attempt to identify the question of Tariff revision or Tariff reduction with a solution of the trust question. This is always a sign of desire to avoid any real effort to deal adequately with the trust question. \* \* \*

The question of Tariff revision, speaking broadly, stands wholly apart from the question of dealing with the trusts.

I ask the Senators who believe in the efficacy of destroying trusts by lowering or removing duties to give heed to this:

#### *Ex-President Roosevelt on the Tariff and Trust Question.*

No change in Tariff duties can have any substantial effect in solving the so-called "trust problem." Certain great trusts or corporations are wholly unaffected by the Tariff. Almost all the others that are of any importance have, as a matter of fact, numbers of smaller American competitors, and, of course, a change in the Tariff which would work injury to the large corporations would work not merely injury but destruction to its smaller competitors; and equally, of course, such a change would mean disaster to all the wage-workers connected with either the large or the small corporations. From the standpoint of those interested in the solution of the trust problem such a change would therefore merely mean that the trust was relieved of the competition of its weaker American competitors, and thrown only into competition with foreign competitors; and that the first effort to meet this new competition would be made by cutting down wages, and would therefore be primarily at the cost of labor. In the case of some of our greatest trusts such a change might confer upon them a positive benefit. Speaking broadly, it is evident that the changes in the Tariff will affect the Trusts for weal or woe simply as they affect the whole country. The Tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also.

\* \* \*

It is but ten years since the last attempt was made by means of lowering the Tariff to prevent some people from prospering too much. The attempt was entirely successful. The Tariff law of that year was among the causes which in that year and for some time afterwards effectually prevented anybody from prospering too much, and labor from prospering at all. Undoubtedly it would be possible at the present time to prevent any of the trusts from remaining prosperous by the simple expedient of making such a sweeping change in the Tariff as to paralyze the industries of the country. The trusts would cease to prosper; but their smaller competitors would be ruined, and the wage-workers would starve, while it would not pay the farmer to haul his products to market. The evils connected with the trusts can be reached only by rational effort, step by step, along the lines taken by Congress and the Executive during the past three years. If a Tariff law is passed under which the country prospers, as the country has prospered under the present Tariff law, then all classes will share in the prosperity. If a Tariff law is passed aimed at preventing the prosperity of some of our people, it is as certain as anything can be that this aim will be achieved only by cutting down the prosperity of all our people.

I have only to say in conclusion, so far as I am concerned I am for this schedule as it stands. Let us pass it as it is, giving Protection to a great American industry while unlawful combinations are being broken up and destroyed by the irresistible force of law and so permit the industry to go on untrammelled and unimpeded in its legitimate development.

### **Income Tax as a Substitute for a Tariff for Protection.**

*From the Congressional Record of May 27, 1909.*

NELSON W. ALDRICH, of Rhode Island. I say to every friend of this measure, sitting on either side of this Chamber, that if we now take up the question of an income tax and proceed to the consideration of it to the exclusion of all the Tariff schedules, and if we adopt a tax which will levy on the people of the United States \$80,000,000, I shall be ready to join the Senator from Texas in revising the schedules. It would be our imperative duty to revise them, not in the interests of Protection, but for the opposite reason.

Mr. BACON. The Senator means in the interests of the consumer.

Mr. ALDRICH. If Senators sitting on this side of the Chamber desire deliberately to abandon the Protective policy and to impose an income tax for the purpose plainly avowed by the Senator from Texas to reduce and destroy the Protective system, I will say to those Senators that I do not intend to consent to that programme so far as I am concerned; and that I intend, so far as it is within my power, to proceed with the consideration of the bill; and that when the schedules are completed we will then take up the propositions involved in the income tax and consider those. But until, under the leadership of the Senator from Texas, this bill is taken from my charge, I intend to press its consideration, and I say that to every Senator. I do not intend to be swerved from that duty by any suggestions from any source.

### **Tariff Rates on Sugar.**

*From the Congressional Record of May 28, 1909.*

REED SMOOT, of Utah. Mr. President, the beet-sugar industry of this country twenty years ago did not exist; to-day it has reached splendid proportions; within two decades it is capable of development until every pound of sugar consumed upon our soil shall be produced by American workmen in American-built mills from beets grown by American farmers. This industry sprang into existence under the Protection of the McKinley Tariff; it has been fostered and developed under existing law; and, in my humble judgment, it must surely and speedily perish unless there shall be extended to it a reasonable Protection until such time as, through the prevalence of superior methods, it can combat single-handed and successfully in the markets of the world. Senators can but agree that there is no American industry not fully developed which holds out to the farmer, the mechanic, and the laborer greater prospects of profitable and abundant employment, and to the consumer a greater certainty of buying that which he consumes at a low price from his neighbor and compatriot.

Mr. CUMMINS. If the beet-sugar men would so develop their properties that they could supply all the refined sugar used by the people of the United States, with a duty of \$1.90 or \$1.95 upon refined sugar, do you not believe that that would be the best possible condition that could be created in this business?

Mr. SMOOT. Yes, Mr. President, I will say to the Senator I certainly do; and I believe

### ***We Can Produce All the Sugar We Use.***

And it could be done, providing the duty on foreign sugars coming into this country is maintained.

Mr. CUMMINS. Precisely.

Mr. SMOOT. And I believe that if it was distinctly understood in the United States that the present rate of duty would be maintained for a quarter of a century, by the end of that quarter of a century we could produce all the sugar consumed in this country.

### ***Beet Sugar Factories Not Controlled By Trust.***

There is not a particle of evidence either before the Ways and Means Committee or the Finance Committee to substantiate the assertion that the sugar trust owns a majority of the stock in the beet-sugar factories of the United States; in fact, there is considerable evidence to the contrary.

Mr. President, my argument is along the line that the beet-sugar companies have \$70,000,000 in capital stock, that all of the interest the American Sugar Refining Company has in stock of other companies is about \$22,000,000, and that, therefore, it is impossible for them to control 51 per cent of the capital stock of the beet-sugar companies. If the Senator wants any further evidence, I have affidavits from sugar factories in this country stating that the trust do not control 51 per cent of their stock.

I have made no argument in favor of the trust. I do not speak one word of commendation of the trust. But when statements have been made here that affect not only the trust, but affect the beet-sugar industry and the cane-sugar industry of the country, I think it is proper to call the attention of the Senate to them, and in doing so I should not be charged with defending the trust.

### ***To Curb the Power of the Trust.***

If any Senator wishes to curb the power of the sugar trust, let him join in enacting and in maintaining as long as necessary such a Tariff on sugar as will encourage the development of our domestic sugar industry to the point where we shall produce within our borders all the sugar we consume.

To produce our supply of sugar from home-grown beets would require from 350 to 400 beet-sugar factories. Does any one dream that such a number of concerns could be consolidated in a trust? As the senior Senator from Iowa has well said, "You can not form a trust unless you can control the raw material." The Secretary of Agriculture, in his report to the Senate April 26, 1909, says that we have 274,000,000 acres of sugar-beet land in the United States, and if 1 acre in 200 of this land is devoted to the cultivation of beets our yield of sugar would equal our en-

tire consumption. With such a bountiful opportunity for securing the raw material from which to make sugar it would be impossible to form a beet-sugar trust. The surest way to limit the power of the sugar trust is to encourage the erection of beet-sugar factories whose output—granulated sugar, a finished product—is sold direct to the people in competition with sugar refined by the trust.

The people will get their sugar cheaper than if it is refined by one or two corporations from imported raws. An enormous drain on our national resources will be saved. A great national industry will be established, thousands of workmen will find employment in these factories, and hundreds of thousands of farmers will grow the beets from which we will make our own sugar. The issue is clear-cut and well-defined. Shall half a dozen refining companies which can be easily combined in a trust refine our sugar from imported raws, for which we shall send abroad from \$100,000,000 to \$200,000,000 yearly, or shall this sugar be made from home-grown beets by 350 factories which can not be combined in a trust and this money kept at home? The reduction of the proposed Tariff rates will accomplish the first result; the plan offered by the Finance Committee will accomplish the second.

### ***Would Bar Out Sugar from the Philippines.***

*From the Congressional Record of May 28, 1909.*

MURPHY J. FOSTER, of Louisiana. I am very much interested in what the Senator is stating, and to a certain extent I agree with him. I will join hands with him in keeping out, as far as possible, every pound of sugar coming from those islands. There is a provision in the bill which authorizes the importation free of duty of two or three hundred thousand tons of sugar from the Philippine Islands. Of course, I do not propose to ask the Senator how he will vote upon that proposition; but it looks to me as though voting against that provision and defeating it would go a far way in the direction of remedying the evil of which the Senator complains. But

what remedy will the Senator suggest as to the probable percentage, as he has stated, between the cane-producing countries of the Orient and the beet-producing people of this country?

***Will Be Another Blow Inflicted upon the Beet-Sugar Industry.***

Mr. CUMMINS. Mr. President, I do not intend to suggest any remedy.

I believe, if we admit 300,000 tons of Philippine sugar free, it will be another blow inflicted upon the beet-sugar interests of the United States.

I for one believe in the picture painted by the senior Senator from Michigan [Mr. Burrows] yesterday. Driven to choice, I am compelled to select as the beneficiary of our legislation, so far as my voice and my vote are concerned, the beet-sugar manufacturer, and to look primarily to the development of that business in the United States.

***Entire Demand Should Be Supplied Within Our Own Territory.***

It is unquestionably true that we have a territory highly fitted for the production of sugar beets sufficient to supply every pound of sugar now used or that will be used by the American people. I believe that we ought to supply within our own territory the entire demand of the American people. The ideal position, as it seems to me, is enough beet-sugar manufactories to make 3,000,000 tons of sugar, with a competition between them that will reduce the price to a fair American level.

If we intend to accomplish that, if that is the end for which we are striving, then we ought to look carefully into the general framework of this schedule, for I believe, and I assert, that, adjusted as it is, it gives the beet-sugar manufacturer into the hands and puts him at the mercy of the cane-sugar refiner, and that there can be no great development of the beet-sugar interest, and that there will be no such development as I have mentioned, until you give to the beet-sugar manufacturer an advantage that he does not have under the schedule.

***South Carolina Senator Favors Protection.***

Mr. TILLMAN. Under our fostering Tariff legislation we can get all the sugar we want from Cuba and Hawaii and Porto Rico without any beet sugar at

all; but, under the Tariff, beet sugar is now entering more and more largely every year into our consumption; and under the Protection which the Senator wishes to give it—and I am willing—we shall have beet sugar grow by leaps and bounds, until we shall make a great deal more than we do now—several hundred thousand tons additional every year.

I see that during the winter, or what they call "the campaign of 1905-6," there were produced in this country 625,000,000 pounds of sugar from beets, and in the campaign of 1906-7 there were produced 967,000,000 pounds of sugar from beets, showing an increase of over 300,000,000 pounds, and that is nearly 50 per cent; so that if there was a little period of depression, all the figures are here, and the increase was not so great during the preceding five years. In 1901-2 it was 369,000,000 pounds; in 1902-3, 436,000,000 pounds; in 1903-4, 481,000,000 pounds; in 1904-5, 484,000,000 pounds; showing that there was not much progress during those four years. But it leaped up to 625,000,000 pounds in 1905, and the following year 967,000,000.

***In Less Than Twenty Years Canada Will Be the Wheat Granary of the Entire World.***

*From the Congressional Record of May 28, 1909.*

PORTER J. McCUMBER, of North Dakota. We are making this Tariff with the hope and the expectation that it will continue in force for at least a decade. I know our friends on the other side say they will revise it themselves in less time than that. I am not prepared to say they are not right. I sometimes think that the American people have got to learn a fearful lesson about every fifteen years in order to bring them back to safe, economic principles.

But I hope we shall not have to take another lesson such as we had during the last anti-Republican administration. The punishment is altogether too severe for the mild offense of lack of memory or good judgment.

To-day we are exporting wheat, oats, barley, and rye. Eleven years from to-day, in 1920, we shall in all probability not be exporting a bushel of either of these cereals. The last year we raised about 650,000,000 bushels of wheat, and western Canada, adjoining my State and

the western part of the United States, raised about 125,000,000 bushels. Ten years from to-day we may maintain our production of wheat to, say, 650,000,000, possibly 700,000,000 bushels, and by that time Canada, immediately north of the United States, will probably raise from five hundred to seven hundred million bushels of wheat.

What will happen then? We shall be importing wheat in less than ten years, and on the other side of an imaginary line six hundred to seven hundred million bushels of Canadian wheat will be ready to find its nearest market in the United States. Then, in my judgment, not even a duty of 30 cents a bushel is going to keep it out of the United States, and there will be a considerable importation to this country.

The value of wheat will steadily increase as the population increases, and the ratio of production of wheat to population will decrease as the population increases. Therefore 25 cents per bushel at that time will, in my opinion, not be adequate Protection.

Now, I want to call the attention of Senators to a map [exhibiting] of the United States and Canada, and probably I can give them something of an idea of what the wheat production of western Canada will mean before 1920. Here is a tract of country [indicating], about 1,200 miles by 800 miles, interspersed with lakes, rivers, and small bodies of timber, nearly every acre of which, outside of the small mountainous portion, is capable of producing all kinds of cereals except corn, and probably that can be raised in some sections. As far north as the sixtieth parallel of latitude [indicating] grain is being raised to-day, and wheat is being raised fully 100 miles north of that line.

***When the American Wheat Grower Will Need More Protection.***

I have lately been over that country. I know something about it. I know that the rainfall is a great deal more than it is on the American side west of that vast section and east of the mountains. I do not believe that the soil has the lasting quality of the soil in the United States, but I do know that in less than twenty years this section of Canada will be the wheat granary of the entire world, and I believe that in making this Tariff we should take into consideration this most important fact,

I want to call attention to another fact, and that is that all of the great trans-continental lines of Canada are crossing this section and are building their spurs on both sides for hundreds of miles. Here [indicating] is the Canadian Pacific traversing it; here [indicating] is the Grand Trunk, reaching far to the north; here [indicating] is the Canadian Northern traversing the same section; and every one, with their smaller lines or feeders, is bringing every section of this country convenient to railways. So, Mr. President, we may reasonably expect that in less than ten years there may be raised as much wheat in this great Northwest as there is raised in the United States.

***Proof that the American Farmer Does Get Protection.***

A number of Senators have reiterated several times that the farmer can not be benefited by a duty on his products so long as he is exporting them; but, Mr. President, any man who has lived in my State for the last ten or twelve years and on one side of an imaginary line has regularly seen the price of wheat from 12 to 22 cents a bushel more than it is upon the opposite side of that line is pretty well convinced that there is something in the matter of American Protection—that he does get Protection.

I wired a few days ago to a place in North Dakota called "Pembina," which is on the Canadian border line, opposite to Emerson, in Manitoba, to get the price of grain at those two points—and remember that all of this time both the Canadian and American grain were being exported. I received a telegram in reply giving the respective prices for October in each year from 1904 and 1908, inclusive. In 1904 the American price was \$1 and the Canadian price 78 cents, or 22 cents a bushel in our favor; in October, 1905, the Pembina price was 70 cents and the Emerson price 64 cents, or 6 cents a bushel in our favor; in 1906 the Pembina price was 65 cents and the Emerson price 59, or 6 cents in favor of the American side; in October, 1907, the Pembina price was \$1.04 and the Emerson price 94 cents, or 10 cents in our favor; and in October, 1908, the Pembina price was 93 cents and the Emerson price 81 cents, or 12 cents a bushel in favor of the American side.

Mr. President, those are the conditions

when we are raising wheat for export; but I want to show now that it will be impossible for the American people to be exporting in 1920.

### Cuban Reciprocity Benefits the Cubans Very Little, and Is a Heavy Cost to the United States.

*From the Congressional Record of May 29, 1909.*

JOSEPH L. BRISTOW, of Kansas. I want to say now that there is not a Senator here who is more interested in preserving the sugar-producing industry in the United States than I am. There has been a studied effort by those in charge of this bill to put the Republicans who are termed "progressives" in the attitude of making an assault upon the Protective-Tariff system. I am a Republican and am as earnestly devoted to the fundamental principles of the party as any Member of this body. I am a Protectionist because I believe it is a wise policy.

Whenever we have ascertained the difference in the cost of the unit of production here and abroad, it is our duty to impose a Tariff equal to that difference, so as to give the American industry an ample opportunity to compete with foreign industries of a similar character; but when you advance the duty beyond that mark, then it ceases to be a legitimate Protective duty. We are not justified in maintaining a duty for the purpose of maintaining prices beyond that point, because then, instead of sustaining an established industry, you are gratifying the greed of the men who are in control of the industry.

Mr. SMITH, of Michigan. The Senator from Kansas, I think, and I will agree entirely that in its inception the beet-sugar-producing industry in this country was a direct and threatening menace to the American Sugar Refining Company. Is not that correct?

Mr. BRISTOW. In its inception; that is correct.

Mr. SMITH, of Michigan. That hostility continued until Cuban reciprocity was undertaken, and the threat which appeared, growing out of the possible annexation of Cuba, the greatest sugar-

producing area in the world, I think, disturbed many of the independent investors in sugar plants, and the more timid sold their holdings. I do not know to whom, nor do I know who now owns them. I know the one nearest to my own home city is absolutely independent of the trust, and I know that the Michigan sugar organization has not changed a single officer or director from the time of its inception until this moment.

Mr. BRISTOW. That may be true. I do not want to question the judgment of Senators who supported Cuban reciprocity because they believed, first, that we were under obligation to help a struggling country, which was a very laudable purpose, and, second, that the tendency would be to reduce the price to the American consumer. The Senators who contended for the enactment of that reciprocity treaty had laudable motives, and fought for what they thought was right. The Senators who contended against it saw a different result. Time has demonstrated that the Cubans did get some benefit.

Mr. SMITH, of Michigan. The Cuban planter?

Mr. BRISTOW. Yes; he got some benefit.

Mr. SMITH, of Michigan. The Cuban laborer?

Mr. BRISTOW. I think the Cuban laborer got some benefit.

Mr. SMITH, of Michigan. I do not think it affected his wage.

Mr. BRISTOW. I think the Cuban did get some benefit, but the American people did not. So, on the one side, those who contended for Cuban reciprocity were right, as far as Cuba was concerned; and, on the other side, as far as the American people were concerned, they were not. I think that is true.

Mr. SUTHERLAND. I was one of those who, in the House of Representatives, voted against the Cuban reciprocity bill. I believed it to be unwise then, and I believe it to be unwise now. I think the result of it was simply to take out of the Treasury of the United States somewhere in the neighborhood of ten or twelve million dollars per annum, and to benefit the Cubans very little, and to reduce the price of sugar in this country not at all,



## If We Open the Door to the World's Sugar We Destroy the American Cane and Beet-Sugar Industries.

*From the Congressional Record of May 29, 1909.*

MURPHY J. FOSTER, of Louisiana. I will attempt to show that it is a wise and just policy not only to encourage the full development of our agricultural interests, but at the same time to encourage the growth and development of our manufactures; and I hope to demonstrate that the enormous amount of capital which has been invested in good faith in the sugar industry of this country, the vast numbers of our people who are dependent on it, the diversified interests that are affected for weal or woe by its welfare, and the large revenue it yields with the least cost to the people, warrant fair and even generous treatment at the hands of Congress.

Mr. President, if it can be shown, as I have indicated, that, with the solitary exception of the McKinley act, every Tariff law from the foundation of the Government until the present has placed sugar on the dutiable list, with a higher rate on refined than on raw, and that every political party that has arisen to a commanding position in this country has subscribed to that doctrine, there ought to be some convincing reason to justify a departure from this established policy.

If it can be demonstrated that the Tariff on sugar is lower in this country than in the sugar-producing countries of Europe, and that in addition to being the cheapest necessary of life entering into the daily consumption of our people the price to the consumer in the United States is cheaper than to the consumer in those countries, then I submit that no just complaint can be urged against the present Tariff legislation on sugar by either the consumer, the taxpayer, or the lawmaker. Finally, if it can be shown that the revenue from sugar under the present bill is necessary for the support and maintenance of the Government, then that revenue should not be reduced or destroyed.

### *Sugar Cheaper Here Than In Other Countries.*

Having shown the rate of duties im-

posed by this Government on sugar, and the price of sugar in this country under those various acts, I now propose to show that the taxation or duties imposed by all countries of continental Europe are much higher than it has been the policy of this country to impose, and especially are they higher than the duties under the Dingley act or the bill under consideration.

Conclusive information to this effect has recently been furnished by the State Department, in response to a resolution of the Senate. It shows the amount of duties per hundred pounds imposed by foreign governments on sugar, and I will ask permission of the Senate to have them inserted as part of my remarks.

If you will open the door to German sugar and to all the other sugars in the world, I think you will get it cheaper here, but at the cost of destroying every cane and beet-sugar producer in this country, and when this has been wrought we would pay our tribute to foreign countries for all time to come in higher prices than we now pay for our domestic sugar.

Mr. SMITH, of Michigan. According to the Senator's statement a moment ago, we are getting it cheaper than any other country in the world.

Mr. FOSTER. We are paying less for it in this country than any other country in the world, except England.

Mr. BRISTOW. I should like, if the Senator will be kind enough to do so, for him to state why it is that other countries pay more in the retail market for their sugar than we do? What is the reason for that?

Mr. FOSTER. It is on account of the taxes imposed upon sugar in the way of consumption and excise taxes and the Tariff.

Mr. BRISTOW. Yes; it is a local tax on sugar in European countries something like our tax on whisky and spirits.

Mr. FOSTER. Yes; it is a consumption and excise tax, but that makes no difference to the people, they pay more for their sugar than we do.

I read, however, a part of this statement.

The people of France are taxed \$2.36 per hundred pounds on domestic sugar, while imported raw pays an additional 48 cents per hundred pounds, and re-

fined sugar 52 cents per hundred pounds, making the total tax \$2.84 per hundred pounds on raw and \$2.89 per hundred pounds on refined.

The people of Holland are taxed \$4.82 per hundred pounds on sugar testing 98 degrees or more. Thirty-seven florins is deducted for each degree less, but the minimum shall not be below \$3.21 per hundred pounds.

The people of Belgium are taxed \$1.75 per hundred pounds on domestic sugar, with an additional surtax of 48 cents per hundred pounds, making a total tax of \$2.23 per hundred pounds.

The people of Sweden are now taxed \$3.60 per hundred pounds on imported refined sugar and \$3 per hundred on imported raw sugar, but the tax is to be slightly decreased in 1913.

It is also interesting to note how our neighbor, the Dominion of Canada, deals with this question. It was shown at the hearings on this bill held by the Ways and Means Committee that the difference in the Canadian general Tariff between refined sugar and 96 degrees testing raw sugar is 0.425 cent per pound, whereas in the Dingley Tariff the difference is only 0.265 cent per pound.

#### *Price of Sugar Has Not Advanced.*

Having shown that sugar is cheaper to the consumer in this country than in Continental Europe, I shall next show that sugar is relatively the cheapest article of food the American people consume, and that while every other product of the field and factory in the last ten years has advanced in price from 20 to 40 per cent, the price of this article has practically remained the same, and that the American consumer, considering what he pays for every other article of food, has no just cause to complain of this price.

The American people are fair and just. If it be shown that the sugar Tariff under the operation of the Dingley law and the present bill works no hardship or injustice upon them, I do not believe that they can reasonably demand or will demand any change or modification of the sugar schedule. Especially is this true when it can be established beyond controversy that sugar is cheaper than any other food staple which the people consume, and it can further be established that while

there has been a progressive advance in the price of all other necessities of life the price of sugar has remained practically stationary.

My purpose is to show that the American consumer has no need to complain of the price of sugar, and that is my only purpose. In 1896, 100 pounds of pork would have bought 74 pounds of sugar. In 1907 it would have bought 132 pounds of sugar, showing that the purchasing price of corn, wheat, etc., has advanced much more than the purchasing price of sugar.

#### *If You Take the Tariff Off the Industry Is Gone.*

Mr. TILLMAN. The Senator, I presume, will acknowledge that this marvelous growth in the production of beet sugar and in the production of cane sugar is due to the Tariff?

Mr. FOSTER. I think very largely to the Tariff. It may have been—

Mr. TILLMAN. If the Tariff were changed and this artificial stimulation were withdrawn, would these industries go backward and dwindle?

Mr. FOSTER. My frank opinion is if you take the Tariff off you might just as well say the industry is gone.

It is true that by the importation of free sugar from our colonial dependencies a conflict has been precipitated between the Anglo-Saxon of this country on the one hand and the coolie labor of the Orient and the cheap labor of the Tropics on the other. With anything like an equal contest, however, I have an abiding faith that the American farmer will come out victor in that struggle. If this new industry is given a fair show the West will rise equal in this as in every other emergency, and in a few years will become the sugar bowl, as well as the granary, of the continent.

The millions of dollars which we are yearly sending abroad will be kept at home, and the thousands of laborers in the beet fields and factories, living according to American standards, will consume far more of our manufactured products than the island peoples with their primitive wants, whom we are now enriching by the purchase of their crops.

Mr. President, if the policy is carried out which is advocated by some of the members of this body, by which

there is to be a setback to the sugar industry of this country, I prophesy that in less than a decade the American farmer will be wiped out of existence.

Mr. TILLMAN. The sugar farmer.

### *American Farmers Would Be Put Out of Business.*

Mr. FOSTER. Oh, Mr. President, I am not talking about sugar farmers. The product of the American farm will be destroyed and this country will be flooded with the product of the cheap labor of the Orient. I do not stand for any such policy.

Mr. President, it is my deliberate judgment that no article of domestic production, either manufactured or agricultural, has been so unjustly treated by the provisions of this bill as the sugar industry. Not only has the differential on refined sugar been reduced from 12½ cents to 7½ cents, equivalent to a reduction of 40 per cent, but there is a provision which authorizes the importation free of duty of 300,000 tons of sugar from the Philippine Islands.

This amount of 300,000 tons fills up the measure of our needs of imported sugars, and fully supplies the entire requirements of the United States for raw sugars to meet its annual consumption of more than 3,000,000 tons.

With the necessity removed for importing a single pound of full duty paid sugar, as the result of the proposal to bring in these 300,000 tons from the Philippines duty free, the sugars that come from Cuba become the highest dutiable sugar imported, and as these pay 20 per cent less than the Dingley rates, the Tariff is consequently reduced to this extent; this is, 20 per cent.

So it will be seen that this bill strikes off 20 per cent of the Tariff that raw sugar has heretofore enjoyed, and 40 per cent of the refiners' differential.

### *The Philippine Menace.*

I look upon this Philippine provision as full of menace and danger to the domestic sugar industry of the United States. Mr. President, it is useless to attempt to deceive ourselves about the situation. The American industry, whose bulwark and support is the

white American farmer, can not compete with the Asiatic labor of the Orient; and with free sugar from Hawaii, the product of Chinese and Japanese labor, free sugar from Porto Rico, concessionary sugar from Cuba, and free sugar from the Philippines, every thoughtful legislator must acknowledge that the cane and beet industry of the United States is in peril.

Why add to that danger adverse legislation upon Tariff lines affecting our rates and standards? Why make harder the struggle that the beet industry is making against the invasion of the Orient? Why make more difficult the unequal contest which the Louisiana sugar producer is waging than it already is by seeking to open up opposition to these industries through a flood of sugar from Continental Europe?

### *Would Hurt Producers, Not the Trust.*

Now, Mr. President, the effort to strike down the differential or to reduce the duty on refined sugar is claimed to be directed against the trust. Right here I wish to state that I am no defender of the trust in any manner, fashion, shape, or form. I neither justify nor excuse any of its monopolistic methods nor any of its illegal practices. I do not believe, however, that you are going to injure the trust by any such legislation as is contemplated. You are simply going to hurt the producer, and the producer alone.

Senators from the beet sugar States are here upon this floor and can give the information; but I know the fact that the trust has absolutely nothing to do with the sugar production in my State.

I submit to the Senators upon this floor, Is it a wise policy to destroy the refining industry? Only recently it has begun to develop along independent lines. It has attracted millions of independent capital, and dotted the country from one ocean to the other with competing plants capable of supplying the contributing territory with its own sugar and relieving the people of paying further tribute to the trust.

The wish and hope of every one of us has been that the beet and cane industries of this country would flourish and prosper in order that our own

farms and plantations might supply this great necessary of life to the people; and now that we are about to accomplish this result, the patient work of years is threatened with destruction.

Mr. President, the beet industry is the natural competitor of the sugar trust. If I were seeking to build up the sugar trust, the first move I would make would be to destroy the beet-sugar industry in this country, because it turns out the finished product, and I submit that if you strike out the differential you will be playing into the hands of the trust, for it is upon this that the beet industry must depend if it is to grow and wax strong, so that it can fight the rival giant.

I do not believe, Mr. President, that as the sugar industry of this country grows, as it promises to, that the sugar trust, or any other trust can control, absorb, or monopolize its output.

#### *Greatest Sugar Consumers in the World.*

Destroy our refining interests and what an opulent field for exploitation the markets of the United States will become for the surplus product of Europe, what a golden stream of American wealth would flow into the coffers of the Old World.

The American people have become the greatest sugar consumers on earth and the refined article constitutes the bulk of what is used, so if the refiners of this country are destroyed the American consumer must be supplied by foreign refiners or go without.

We are now annually sending to Hawaii over \$30,000,000 for sugar; to Porto Rico over \$7,000,000; to Cuba something over \$60,000,000; and some \$2,000,000 to the Philippines, making more than \$100,000,000 annually drained out of this country which could otherwise go into all the channels of American trade did we but produce at home what we consume.

And now that we are in a fair way toward correcting this great economic leak, it is proposed not only to stifle the beet and cane-sugar industries, upon which we must depend if we are to keep this money at home, but also to destroy another great domestic industry, and compel the American con-

sumer to pay tribute to the foreign refiners.

#### *Trusts Would Grow Stronger on Free Sugar.*

But, Mr. President, if this course is persisted in it will be the producer and not the trust who will be called upon to suffer. These refiners have invested millions and millions of dollars in their enterprises. At the head of their institutions are the shrewdest and sharpest men in the business world. They know perfectly well that the product of the cane fields of Louisiana and the crops of Hawaii, Porto Rico, the Philippines, and Cuba can find no other market than our own. They will simply, therefore, as I said before, deduct the differential we deny them from the price they pay the producers of sugar in this country. They will keep down the level of their prices sufficiently below the European refiners to exclude foreign sugar from our markets, and in the war of competition the sugar industry of the United States will be ground down and destroyed. Then we must look to our island possessions in the Tropics or to Europe for our sugar, for in that contest, Mr. President, the domestic sugar industry will have been destroyed. We can not compete in production with the pauper labor of the Orient or with Europe and its low standard of living. The American farmer will be made the victim of our blind resentment against the sugar trust, and as that great malefactor stalks through the ruins of our domestic industry it will grow stronger and richer as it fattens upon free sugar from our tropical possessions.

#### **A Question Intimately Related to the Wage Scale of the American Workman.**

*From the Congressional Record of May 29, 1909.*

WILLIAM ALDEN SMITH, of Michigan. Mr. President, when the Senator from Wisconsin [Mr. LaFollette] introduced his resolution the other day, I interrogated him as to the wisdom of including other countries in his request. I did not know what the Senator from Wisconsin desired, but I felt that he wanted the actual wage scale

of Germany. I then remarked that there had come to my notice a statement of the wage scale in certain lines of industry in Sweden, which I thought would be of interest to the Senate in framing this bill. I desire now to call attention to a report by Special Agent H. W. Davis, to the Department of Commerce and Labor, dated November 14, 1908, in which he gives the conditions of labor and the wage scale in the iron and steel industry of Sweden. I am merely going to quote one or two sentences from it. He says:

The following statement of wages paid was furnished by one of the larger concerns in Sweden, but located at a point remote from a large city. The scale is therefore less by 20 to 25 per cent than where similar labor is employed in cities with much higher rents and living expenses.

Then he says:

#### *Low Pay of Iron Workers in Sweden.*

**Blast Furnaces.**—Foremen, \$486 per year; furnace men, twelve hours per day, \$5.83 per week; helpers, twelve hours, \$5.50 per week; topmen, eight hours, \$5.30 per week.

**Charcoal and Roasting Furnaces.**—Some working three shifts of eight hours each, others two shifts of twelve hours each, the pay ranging from \$4.70 to \$5.30 per week.

**Martin Furnaces.**—Pay is by the ton, amounting, on the average, to the following wage per year: Foremen, \$540; melters, \$486 to \$513; helpers, \$350 to \$378; ladlemen, \$350 to \$378; flaskmen, \$300 to \$330; stokers, \$324; watchmen, \$300; cranemen, \$324; other helpers, \$300. Work is in night and day shifts, twelve hours each, the week ending at 3 or 4 o'clock Saturday afternoons. Furnaces are charged from 6 to 12 o'clock Sundays for the ensuing night shift. Sunday labor is paid for time and a half.

Now, one thing more. He says of the wages:

**Bessemer Converters.**—Foremen, \$513 per year; furnace men, 89 cents per day; helpers, 76 cents; flaskmen, 76 cents; ladlemen, 89 cents; cranemen, 92 cents. This daily wage is for twelve hours' labor, the shifts being two to cover the night and day work, but there is an additional allowance depending on the tonnage gotten out, which averages about 65 cents per man per day.

**Rolling Mills.**—Foremen, \$10.80; heaters, \$9.45; and rollers, \$8.64 per week.

**Pipe and Tube Mills.**—Foremen, \$10.80; heaters, \$9.45, and helpers, \$7.83; rollers, \$8.64; sawmen, \$6.76; greasers and electric engineers, \$6.75; plug boys, at about 20 years of age, \$5.80; boys of 16 years, \$4.18; boys, 14 to 16 years, \$2.70; day laborers in mill, \$5.26; all

the foregoing per week. Inspectors, per year, \$365.

**General Laborers.**—Machinists, \$7.70 per week; firemen, eighty hours per week, \$6.35; stationary engineers, seventy-five hours per week, \$5.60; bricklayers, \$6.48; house carpenters, \$5.26; ordinary day laborers, fifty-nine hours per week, \$4.86.

I simply read this statement in order that Senators might know that we are dealing with a question intimately related to the wage scale of the American workmen, and that, compared with the wage scale in any other country in the world, ours is the highest.

#### *It Is a Question of the Cost of Manufacturing.*

Mr. GALLINGER. I will state to the Senator from Michigan that the question of the cost of living does not enter into the matter at all. Those men are manufacturing in competition with our people, and it is a mere question as to the cost of manufacturing where they invade our markets.

Mr. SMITH, of Michigan. Yes. But that prompts me to say to the Senator from New Hampshire that Mr. Davis did go into the cost of living somewhat. He says:

Since most forms of food cost more in Sweden than in the United States, particularly the high-class bread-stuffs and meats, it follows that at the low wages prevailing the standard of living is comparatively low. Coarse-ground rye and graham are principally used for bread. Bacon is largely used, but meat is not usually served more than once a day on the workingman's table. Clothing costs less than in the United States; particularly is this noticeable in the better class of men's clothing, but goods consisting largely of cotton or rough goods of the cheaper variety, usually worn about shops and factories, cost only slightly less than in America.

Mr. President, I do not intend to delay the Senate at all to elaborate upon these figures, which I think are carefully prepared and are entitled to some credence when we are engaged in fixing the difference between the cost of production in Europe and the cost here. No Senator can say that the wage scale of any other country in the world is the equal of our own, and no Senator can say that the manner of living among the workmen in any other country in the world is the equal of our own. Consequently, in perfecting a bill so intimately related to the welfare of the great mass of the American

workmen as is this Tariff bill, we ought to be guided by such practical lessons as this.

### The Only Right and Sensible Way for Any Country to Make Its Tariff Laws.

From the Congressional Record of May 29, 1909.

MARTIN N. JOHNSON, of North Dakota.

The right to make its own Tariffs high or low is conceded to every nation by every nation.

The rate is a matter of opinion and judgment for each government to fix at the point most advantageous for its own people. We are making this Tariff solely with a view to benefiting the people of the United States. Other people will make their Tariff laws in the same way, for their own advantage.

This is the only right and sensible way for any country to make its laws. In framing this law we have placed everything upon the free list which we can not produce to advantage in this country except a few luxuries.

This is done in order to remove all restrictions and burdens from the importation of all articles which we do not ourselves produce in great abundance. This covers more than half of our enormous imports.

But when it comes to such things as the chief products of our own farms, forests, and factories, which we do not need to ship in from abroad, then we have placed such a rate of duty on the imported article as will, in our judgment, equalize the cost of production (mainly the wages of labor) at home and abroad.

How consistent has been the doctrine of the Republican party—

Mr. BACON. I do not wish to interrupt the Senator, but I should like to ask him the name of the Representative who made the speech? He did not state that.

Mr. JOHNSON, of North Dakota. I am a little modest about giving names, but it was your humble servant. I am sorry the Senator crowded me to say that.

Mr. BACON. I did not know that at the time I made the inquiry. I was struck by the clearness and lucidity of the argument, and I desired to know who was the author of it.

Mr. JOHNSON, of North Dakota. Thank you. Continuing:

Other countries, except the few who have adopted the policy of a "Tariff for revenue only," sometimes called "Free-Trade," make their Tariffs about

in the same way. We have never asked any country to make its Tariff laws with the slightest reference to our benefit.

I think that is as true to-day as it was twelve years ago—

We expect them to be guided entirely by enlightened selfishness. If we have anything for sale which they can not advantageously produce, it will be to their interest to put it on the free list, just as we do.

That will afford us all the market we need.

### Foreign Countries Which Have Protested Against Our Tariff.

In connection with the protests of foreign countries, I ask leave to print a couple of paragraphs and a table in the Record showing the exports to those countries for the year before the Dingley Tariff bill was passed, and the year after it was passed, and also ten years later.

The matter referred to is as follows:

Another evidence of the indisposition of other countries to attempt to exclude the required products of the United States from their markets is found in the fact that although a dozen of the great countries of the world simultaneously protested against the Dingley Tariff act, no one of those countries excluded any of the products of the United States following the enactment of that law or even reduced by a single dollar the value of their purchases from this country. These protests, while not a joint action, and while relating in some cases to different features of the act from those complained of by other protesting countries, were practically simultaneous, and as the passage of the act without recognition of their protest was a simultaneous rejection by the United States of those protests, the occurrence offered to them a special and unique opportunity for combined action in excluding our products from their markets. Yet not a single one of those countries took such action, and in no case did they reduce their purchases from the United States. On the contrary, our exports to every one of the 12 countries have increased. Our exports to the 12 countries which protested against the act in question were in 1896, \$618,668,000, and in 1907, \$1,220,000,000, an increase of about 100 per cent, as compared with 1896, the year prior to that in which these protests were made. (See table of countries protesting against Dingley law, and exports to them.)

Besides, the complete power of the United States to protect itself against retaliation must not be overlooked. The only countries from which there could be any possibility of danger are the leading industrial and commercial nations of Europe. Their policy is Protective, as is ours. But if they are compelled to buy largely of our prod-

acts from necessity, we buy largely of theirs from choice. We are among their best customers. What they buy of us are necessities; what we buy of them are chiefly luxuries. If they were to proscribe our products we could more easily proscribe theirs. So long as we maintain the Protective policy we can defend ourselves; the more we advance toward Free-Trade the fewer weapons of defense we hold.

Thus, both the logic of the situation and our actual experience with adverse legislation and threats of such legislation fail to justify the assertion that our products of any class are being excluded or are likely to be excluded from the markets of other countries by reason of our Protective Tariff.

#### *Growth of Exports to the Countries Which Protested Against the Dingley Tariff Bill.*

This table gives a full list of the countries which protested against the Dingley Tariff bill during its consideration and the value of merchandise exported thereto in the year prior to the consideration of that measure and of their protest, and compares with those figures the exports to those same countries in 1898—the year immediately following the enactment of the Tariff law—and in 1907, the latest year for which figures are now available. It will be seen that, despite the protests against the Dingley bill, and in some cases implied threats of exclusion of American products in case the bill should become a law, the exports to those countries have in every case greatly increased, the total exports to those countries in 1907 being practically double those of 1896, the year prior to the enactment of the law.

Exports from the United States to the countries which protested against the Dingley Tariff bill, showing increase in exports after enactment of the law.

Country.	Year ending June 30—		
	1896.	1898.	1907.
United Kingdom .....	\$405,741,339	\$540,940,605	\$607,783,255
Germany .....	97,897,197	155,039,972	256,595,663
Netherlands .....	39,022,899	64,274,524	104,507,716
Belgium .....	27,070,825	47,619,201	51,493,044
Italy .....	19,143,606	23,290,858	61,746,965
Japan .....	7,689,685	20,385,041	38,770,027
Denmark .....	6,557,448	12,697,421	23,384,989
China .....	6,921,933	9,992,894	25,704,532
Argentina .....	5,979,046	6,429,070	32,163,336
Austria-Hungary .....	2,439,651	5,697,912	15,136,185
Greece .....	191,046	127,559	1,634,431
Switzerland .....	32,954	263,970	612,579
Total to countries .....	\$618,687,429	\$886,759,027	\$1,219,532,722

shore of those lakes, and there also grew up a very large production of barley in the farming region of northern New York. The barley raised in that region is specifically adapted for blending with Canadian barley for the manufacture of malt; and, accordingly, under the lower rate of duty there was

#### **New York Maltsters Opposed to Increase on Tariff on Barley.**

*From the Congressional Record of May 29, 1909.*

ELIHU ROOT, of New York. Mr. President, I wish to say a few words about the pending amendment, which is a proposal to increase the duty upon barley.

I think, Mr. President, that I ought to vote against the amendment, and it is my purpose to vote against it. I wish to state briefly the reason. Prior to the Tariff act of 1883, the duty on barley was 15 cents a bushel. Upon the report of the Tariff commission of that year, the Congress reduced the duty to 10 cents a bushel. The duty was increased to 30 cents a bushel in the McKinley act of 1890; reduced to 30 per cent ad valorem by the Wilson act of 1894; and restored to 30 cents in the Dingley act of 1897. The House of Representatives in the pending bill reduced the rate to 24 cents a bushel, and the committee now recommends an amendment to the House bill restoring the Dingley rate of 30 cents.

During the period when the duty was 10 cents a bushel a very large malting industry grew up along the southern shore of Lake Erie and Lake Ontario; many millions of dollars were invested in the New York cities upon the south

a considerable importation of the hard, No. 1, Canadian barley and a large production of New York barley to blend with the Canadian for the manufacture of malt.

The increase of duty by the Dingley act was a severe blow to the malting industry of New York and to the bar-

ley-raising industry of New York. Under that duty the malting industry has languished and decreased, and under that duty the production of barley by the farmers of northern New York has to a great extent disappeared.

*Obliged to Take Their Supply from the Northwest.*

Under this revision both the maltsters—such of them as remain in the cities of Buffalo, Oswego, and some other New York towns—and the representatives of the farmers came to the Committee on Ways and Means and asked for a reduction of the duty. The situation in which we are placed, Mr. President, is that, falling the possibility of importing Canadian barley, failing the production of New York barley to blend with the Canadian barley, our malting houses in New York are obliged to take their entire supply from the Northwest, and the supply of the Northwest, collected in the elevators that control the transportation of barley, is subjected to increases and decreases of price practically at the will of the owners of the elevators; so that the New York maltsters find it impossible to calculate with any accuracy or certainty upon the price of the material which is necessary for their industry.

Mr. President, I do not intend to oppose or find fault with the principle of Protection of agricultural products; but I fail to see in any facts that have been presented here any evidence that a duty of 30 cents a bushel on barley is necessary to equalize the cost of production upon the American and upon the Canadian side of the boundary line. If it were necessary, then the maltsters and farmers of northern New York must take the consequences of the application of the rule of Protection. They must be content to suffer in that one respect, in order that they, with the other citizens of our country, shall benefit by the combined effect of the duties included in their Protective Tariff; but if there is no occasion for fixing the duty at this high point under the application of the rule of Protection, if the rule does not require it, then the establishment of this duty would be to inflict upon the interests which I am endeavoring to represent an injury wholly unwarranted.

**Duty on Barley Necessary to the American Farmer as Against the Canadian Farmer.**

*From the Congressional Record of May 29, 1909.*

WELDON B. HEYBURN, of Idaho. The new lands in British Columbia and Manitoba that border on the northern portion of several of our States are practically obtainable, or the use of them is obtainable, for nothing. We are a large barley-producing country, and the lands upon which we grow barley are worth from \$30 to \$100 an acre. A man engaged in the production of barley on our side of the line receives double the wages, both in planting the crop and in harvesting it, that are received by the man in British Columbia, Manitoba, or elsewhere on the Canadian side of the line.

The fact is that the production of barley is growing. It is one of the most profitable crops that we raise in the Northwest, so far as the profit per acre to the farmer is concerned, and there is an increasing acreage there from year to year, to which there is scarcely a limit, and of course we expect to export it. We expect to export 800,000,000 bushels before we are through with the development of barley, if it keeps on. We can supply a great deal of it, and 8,000,000 bushels is a very small quantity. I repeat that a single county could furnish that much barley. I regard the duty as necessary for the Protection of the American farmer against the Canadian farmer. Now, these barley fields north of the line are, to a very large extent, in the hands of the very cheapest kind of foreigners who are brought over there. Several of the societies with which we are very familiar raise barley north of the line, and we must not be compelled to compete with them, because we pay \$3 and \$3.50 in the field to harvest our barley. We pay our farm hands three times the wages that they are paid north of the line, and we want to continue to do that.

I was speaking in the ordinary use of that term. There has been a class of immigration there that we would not offer any special inducements to on this side of the line. I do not think it proper, in public speech, or in private speech for that matter, to de-



claim against any nationality at all, because individual character is not always a question of geography. I used the term in the ordinary sense, in describing a class of immigration that would be undesirable to us.

### *Not Alone a Question of Building Up Breweries.*

Now, we want conditions on our side of the line to be so much better than the conditions on the other side that our people will stay at home, or will come back to this country; and in making these few suggestions in support of retaining the duty recommended by the committee to this body, I do so upon the basis of the actual facts, and with a view not only of retaining existing conditions and inducements, but extending them if possible. I should have been glad to see the duty on barley even higher. There is nothing that builds up a community like a product of the soil of this character, because the market is unlimited, and it is an ever-growing market, it is an easy crop to raise, a comparatively economical crop to produce, and why should we hesitate about retaining the duty?

I realize the force of the suggestion made by the junior Senator from New York [Mr. Root]. It might be desirable to get barley in under more favorable conditions locally, along the St. Lawrence River, but bear in mind that this crop is grown all over the United States, and we have no such conditions along our great line upon the north that divides our Western States from Canada. We have no such conditions existing there as those pictured by the Senator from New York, and it is not a question of building up our breweries alone. The use of barley is not confined to the making of malt or beer.

### **Duty on Barley Desirable for the Protection of an American Industry.**

*From the Congressional Record of May 29, 1909.*

PORTER J. McCUMBER, of North Dakota. The Senator from Indiana seems to be startled at the wonderful amount of our exportations of barley,

being about 8,000,000 bushels, so he says. I have not looked up our exportations, but I assume that is the amount. We produce in this country ordinarily about 150,000,000 to 160,000,000 bushels, and all but about 8,000,000 bushels, according to the Senator's own statement, are used in this country. We will admit that about 8,000,000 bushels are exported. The Senator assumes that the export price will necessarily affect the price of all the products in the United States.

But, Mr. President, there is something more than the question of export price in the matter of the fixing of prices in the United States. Barley is not shipped from some sections of the country for export at all. I do not think it is shipped from my country for exportation. The distance is too great and the freight rates are too great to justify shipping it any great distance to come in competition with the world's market. A certain portion of it undoubtedly can be exported from certain sections of the country to the general world's market; but our price is fixed, not only by the supply and demand, as we generally use that expression, but by the visible supply within the radius of a particular market.

If the Senator would make inquiries along the line of my State, he would find that notwithstanding the fact that we are exporting barley on the one side of this imaginary line it is considerably more expensive than it is upon the other side, showing to the Senator that the export price or the demand of the world does not fix the price entirely in the United States.

### *We Are Fixing a Tariff for Ten Years.*

Mr. BEVERIDGE. Does the Senator really think, with a duty of 24 cents a bushel, as fixed by the House bill, the farmers of his State would suffer in competition with the farmers of Canada?

Mr. McCUMBER. To-day, no.

Mr. BEVERIDGE. That is sufficient.

Mr. McCUMBER. Next year, no. Within ten years, yes.

Mr. BEVERIDGE. You do not mean that we are fixing a Tariff on futures, and ten years off at that?

Mr. McCUMBER. The Senator himself has again and again stated on

this floor that we are fixing a Tariff for ten years.

Mr. ALDRICH. The Senate Committee on Finance report and recommend this increase of duty because, in their judgment, it is desirable for the Protection of an American industry. Our judgment may not be so good as that of the Senator from Indiana; I will not undertake to make any comparisons in that respect; but that is the judgment of that committee, based upon information and belief as to the interests of this article; and while I do not feel that I can rely at all upon the influence of that committee upon the judgment of the Senator from Indiana, based upon long experience—for weeks—I will say it is the honest judgment of the committee that this rate ought to be increased.

#### *Who Would Be Benefited by a Lower Duty?*

Mr. McCUMBER. The Senator from New York suggested that the farmers in his State ask for this reduction, if I understood him. Who is to be benefited by this lower Tariff? There is just one interest in the United States; that is, the brewing interest or the manufacturers of malt for the brewing interest. Why are they asking for it? Because they are not satisfied with the American barley. With the higher price generally of labor in this country upon the farm, at least, with the higher priced labor in this country, and the higher price of almost everything else, we necessarily need a higher price for all of our products. The American farmer is willing to take his chances with the other Protected industries in the United States if you will give him the same adequate Protection. But the Senator must see that with barley today at 65 cents a bushel and constantly rising, and as the consumption is bound to increase while the acreage in this country that is adapted to the raising of barley will not increase, we are reaching a condition when we will be in need of higher rates all the time.

As I said, why does the brewer need all the American barley? He buys the Canadian barley, as has been suggested by the Senator from New York, not because it is a different kind or grade, but because the labor that is expended upon it in specially caring for it and

keeping it bright, and so forth, makes it more valuable for the brewer. One of two things happens, either the brewer has got to get that barley and pay for it the price that the foreign demand requires or he has got to use barley grown in the United States to take its place. If he is compelled to go to the foreign market for his barley, then it is a question of revenue only, and I do not know any better source to get that revenue than from the barley that is used for brewing purposes. If, on the other hand, he is not compelled to get that upon this side and we make it cost more to import it from the other side, it will encourage the farmers on this side in expending the same labor that is placed upon it in Canada and securing the higher price for their own barley commensurate with the added labor upon it.

#### **Adequate Protection Increases the Market Value of Farm Lands.**

*From the Congressional Record of May 29, 1909.*

WELDON B. HEYBURN, of Idaho.

The conditions expressed by the Senator from North Dakota [Mr. McCumber] seem to be different from those which prevail in the section of the United States to which I shall directly call the attention of the Senate. It is not a question of next year or the year after in our part of the country; it is a question of this year.

In 1894 the enactment of the Wilson-Gorman law, which divided the then existing duty by three, sent barley down a corresponding price in the market, and it stayed down until the Dingley law was enacted. I have the figures before me to demonstrate it. The difference between 24 cents and 30 cents made a difference in the value of our land of \$3.17 an acre. That is an important item. The land is worth what it will produce. If it produces wheat at 50 cents, it is to be measured by that gauge, and if it produces the same quantity of wheat at 80 cents, it is to be measured by that gauge. That is the only true rule. Hundreds of thousands of acres of land that are adapted to the raising of barley would be worth, under the House measure,

\$3.17 less per acre than it would under the Senate committee's amendment.

### Nebraska Farmers Protest Against Decrease of Tariff on Barley.

*From the Congressional Record of May 22, 1909.*

ELMER J. BURKETT, of Nebraska.

Mr. President, I am not going to speak at any length, because I know the committee and the Senate are anxious to vote. Barley is not a product, perhaps, which Nebraska is as much interested in in the amount produced as are some other State, but, nevertheless, we are interested in it, and I have had considerable objection and protest sent to me by citizens of Nebraska against reducing this barley schedule. They perhaps remember the reductions in price that followed the reduction of duty a few years ago, and do not want to run the risk of a repetition.

### Protection Has Been of Great Benefit to the Barley Growers of the Northwest.

*From the Congressional Record of May 29, 1909.*

ROBERT J. GAMBLE, of South Dakota. Mr. President, just a word on this proposition. It occurs to me that the present rate of duty on barley should be maintained, because its imposition has occasioned the development of our barley industry during these years. As I recollect it, the production of barley in 1888 was something like 60,000,000 bushels, with a value of \$37,000,000. I have before me the December Crop Report, published by the Secretary of Agriculture, which gives the production of barley for the present year as 166,000,000 bushels, with a farm value of \$92,000,000—practically an increase during this decade of three times over.

It occurs to me, Mr. President, there should be no modification in the present rate. I think I am correct in making the statement that, on account of the rate of duty and the development of the production of barley in the Northwest, there has been transferred the place of the fixing of the price of barley from New York to Chicago and

Milwaukee—nearer the region of the production of this great product. If you take the yield of Minnesota, North and South Dakota, Kansas, and Nebraska out of the total production of 166,000,000 bushels of barley during the past year, you will find that 118,000,000 bushels were produced in those States. The prices have been fixed and the benefits have accrued to the great producers of barley in those regions. The maltsters and the producers of malt have been transferred from the eastern seacoast to the West; and I think largely the producers of malt in the East are practically limited to the city of Buffalo. As indicated in the Book of Imports, while the price of imported barley in 1897 was 31 cents per bushel, it has now increased to nearly 56 cents per bushel. If the present rate of duty were lowered, I think it would hazard this great industry.

### Protection for Lemons Needed by California Growers.

*From the Congressional Record of May 31, 1909.*

FRANK P. FLINT, of California. California needs and Congress should retain the duty of 1½ cents per pound on imported lemons. It has been found that a duty of 1 cent has not fully compensated for the increase in the cost of labor employed in California over the cost of Italian labor, which is used in the growth and shipment of practically all the lemons imported. Labor which costs in Italy 40 cents a day costs from \$1.75 to \$2 in California. Packing in Italy costs not over 50 cents, while in California it costs from \$1.75 to \$2. The fact that the duty of 1 cent per pound is not enough to compensate this difference in cost is made evident from the fact that Sicilian importations are constantly increasing, while California lemon growers find it harder and harder each year to produce with profit.

### If California Can Produce All the Lemons We Need, Why Should She Not Do It?

*From the Congressional Record of May 31, 1909.*

WILLIAM ALDEN SMITH, of Michi-

gan. The Senator from New York [Mr. Root], in closing his remarks a few moments ago, said, if I understood him correctly, that he never knew the interest of the consumer to be especially benefited by limiting the number of competitive vendors. I think I do not misquote him. Now, I want to give him a concrete case in point. When Congress put a duty upon tin plate we were not producing scarcely any in this country. We have now had the duty on but a very few years. In 1899 we produced but 732,000,000 pounds of tin plate; in 1907 we produced 1,293,000,000 pounds. In 1899 we exported 205,000 pounds of tin plate. We put a high duty on foreign tin plate, thereby limiting "the competitive vendors," in the language of the Senator from New York, and we exported last year 19,000,000 pounds of tin plate.

If it is fair to draw this deduction favorable to Protection, it is fair to give California the benefit of it. If California has an area able to produce all the lemons that our country needs, why should we not do it? If it is in the interest of any great section of our country to limit "competitive vendors" by our Tariff act, why should it not apply with equal force in favor of California?

I have been through the State of California thoroughly year after year, and I have been amazed and delighted to observe the marvelous development in the variety of productions which that State has steadily undergone; and if the only argument that can be advanced by those opposed to this schedule, so favorable to California, is that in limiting "the competitive vendors" we are thereby enhancing the cost of the domestic products to the consumer, then I say the answer lies in the history of almost every article protected from ruinous competition by foreigners.

#### ***How Tin Plate Was Cheapened by Restricting Foreign Competition.***

I heard it said over and over again that we could not produce tin plate in America. Mr. McKinley was denounced as a dreamer when he undertook to do it. The only tin-plate factory in our country at that time was dead in California. By putting on a high duty and temporarily excluding competition

from abroad, as would perhaps be the case with the Sicilian lemon, we have been able to produce practically all the tin plate we need in this country at lower prices than ever before; and it is not a good time to say that great stretches of American area, suitable to the production of these fruits, shall not be given the benefit and advantage in our Tariff regulations over a foreign state, whose people owe no allegiance to our Government, who can not be drafted in its defense, upon whose property we can not lay a single local burden of taxation, unless, perhaps, this may be so regarded.

For my own part, I am not willing to rest upon the argument that competition with a foreign state is essentially necessary in order to give our people their necessities at a fair price. It is well known that if California did not produce lemons we would be at the mercy of an importer and a foreign state in the price of this necessary product. While it has not been for me to say how much is necessary amply to protect the fruit growers of our own country, yet the remark of the Senator from New-York was such that I could not resist the temptation to call his attention to a fact in our history amply illustrating the wisdom of such Protection as will tend to develop to its highest state domestic production.

#### **Free-Trade Operates In the Elimination of Competitors.**

*From the Congressional Record of May 31, 1909.*

FRANK P. FLINT, of California. As I stated Saturday, there is no reason why California can not produce all the lemons consumed in the United States, and far more. There is a reason why we do not produce more lemons, and that is because we can not compete with the foreign grower in the New York market. If, as a matter of fact, this was not a serious proposition to the people of my State; if it did not mean the entire destruction of the lemon business in California, I would not be here appealing for this half cent additional duty.

Mr. President, the Senator from New York [Mr. Root] says that this means the elimination of a competitor. The

elimination of a competitor will be accomplished if the Senator does not place a cent and a half duty on lemons. It will mean that California can not go into the New York market and that a combination of fruit importers in the city of New York will fix the price of lemons in this country. There is an illustration of what can be done under the system the Senator from New York complains about—the elimination of a competitor. The Senator from New York does not seem to be one of those even Protectionists, who is willing to give Protection in California and New York and other places; but on New York articles he wants Protection, and on the imported articles for the importers in the city of New York he wants practically Free-Trade, or the elimination of the California producer. If California producers do not have adequate Protection, it will mean that the lemon acreage of California will be greatly reduced; and if it should be reduced 15 per cent, it would result in the elimination of the California producer from the New York market, and the elimination of California from that market will, as I said a minute ago, mean the fixing of the price at just what the New York importers desire by limiting the amount of imports.

Mr. ROOT. Mr. President, I do not wish to prolong this discussion, but I have reduced to pounds the figures I gave as the number of boxes produced by California last year. It is 133,000,000 pounds. That seems to be a sufficient answer to the terrible threat of the Senator from California that we would be deprived of lemons.

When the Dingley bill was passed they were raising 30,000,000 pounds, and in the year 1907 they raised 90,000,000 pounds. Last year they raised 133,000,000 pounds. What is the use of talking about a dying industry and about the California fruit grower being excluded from our market when the industry is progressing by leaps and bounds with unexampled prosperity under the present Tariff?

Mr. FLINT. I will state that those trees were planted eight years ago, during the time when they thought they would be able to produce lemons at a profit. These trees are 8 years old, and this is the crop coming in that

I speak of. You do not find that they have been planting out any lemon trees for the last two or three years.

Mr. PERKINS. If the Senator from New York will permit me, I will say that Cuba, Sicily, and Mexico are also increasing their production at an equal ratio or a greater one than we are in California.

### Serious Business Affecting the Policy and Welfare of the Country.

*From the Congressional Record of May 31, 1909.*

MARTIN N. JOHNSON, of North Dakota. Mr. President, of course it is entirely appropriate for those Senators not charged with responsibility to the country at this time, like the Senator from Oklahoma [Mr. Gore] and the Senator from Maryland [Mr. Rayner], to afford suitable diversion. We all enjoy it. But we are here engaged in a very serious business affecting the policy and the welfare of the country. We might as well accept the challenge on this item of bananas as on anything else.

The Republican party says to every man in every corner of the earth who has anything to sell that the American people wish to buy and which we ourselves can not produce in great abundance, "Come, and welcome; bring your wares with you free of duty, free of tax and hindrance of any kind, and sell them to our people just as cheaply as you can." That is something fundamental. There is no difference between us as to the amount of money we should raise by the Tariff. That is not in dispute. But the difference is right here in the free list as to what things shall come in free and what things shall bear a duty.

The doctrine that the Tariff is a tax and is added to the price of the article, and is paid by the consumer in every case, is an absolute fallacy, except as to such things as bananas, Brazil nuts, tea, coffee, india rubber. In all those instances the Tariff would be a revenue Tariff and would be added to the price of the article and be paid by the consumer. And so we have none of it in the Republican policy. Do you tell the American people seriously that a duty on potatoes, for instance, of 45 cents a bushel, which was placed here

Saturday, will add 45 cents to the price of every bushel of potatoes? It is too simple for argument. Nobody believes that. And of corn and wheat the same thing is true. We never have claimed that a duty on those articles would raise the price by the amount of the Tariff. That is the teaching of our opponents. It is too simple for argument. There is not a word of truth in it.

#### *Tariff Does Not Affect Prices.*

Senators talk about the Tariff raising the cost of living. This amendment would raise the cost of living. A banana is a bread fruit. It has almost the same chemical elements as wheat bread. A duty on bananas or tea or coffee would necessarily be added to the price of the article. It would be a revenue duty. We have none of those industries in our soil and climate. We can not produce them. We can not protect them. So we Republicans never place a cent of duty on anything of that kind. Take those things we can produce in great abundance; the Tariff does not affect the price of those articles, because we control the market.

Take, for instance, a meal, an expensive meal, too; a good meal. Essentially the Tariff does not weigh upon any article that is necessary to put upon the American table. Let us set a table. The first course is soup. We will have oyster soup, ox-tail soup, turtle soup, a great variety of soups. We have the ox tail, we have the oysters, we have the turtles. It is not necessary to import them. The Tariff can not reach them.

The next course will be fish. Of course, if you insist on foreign fish that do not swim in our waters, you will have to pay a duty, but I am not speaking of those luxuries; they are for the people who insist on them. We can put on that table shad, and black bass, and salmon, and whitefish, and lake trout, and mountain trout, and sunfish, and whales—a great variety of fish good enough for the ordinary citizen—and there is not a cent of duty on any of them.

#### *The Plain, Ordinary American Citizen Pays No Tariff on His Food.*

Then, we will take game as the next dish in this course dinner. Of course,

if you are so extravagant as to insist on foreign game, we shall perhaps see next winter on the Christmas bill of fare of our expensive hotels, and you can get served up, rhinoceros roast or hippopotamus potpie or pickled elephant's feet. If you insist on those things, of course you will have to pay a duty on them; but for the plain ordinary American citizen we will have elk, and deer, and grouse, and wild geese, and wild ducks, and quail, and partridge, and venison—a nice variety of game. I do not care what the duties are, we need not import that. There is no way for the tax gatherer to get between the hunter and the guest at the table.

Then, we will pass on to the solid dishes like meats. Is it necessary to pay a duty on the meat that the poor man or the wealthy man, the peasant or the prince, eats? Not at all, unless he insists upon shipping in something that can not be produced in this country. Then, it is on the free list. Here we have roast beef and mutton stew and ham and a great variety of meats, plenty of them, good and cheap, with not a cent of duty on any of them.

When it comes to fruits, bananas, and Brazil nuts, and everything of that kind, that we can not produce, they are on the free list under the Republican policy; and those things that are dutiable for the Protection of our industries we do not need to ship in. I will put on that table apple pie and blueberry sauce, and peach brandy, if necessary, and strawberries and raspberries and a great variety of fruits of our own production, and there is not a cent to be paid to the tax collector.

#### *How We Became the Greatest of Silk Producing Countries.*

In the same way I could go through the clothing schedule. Take, for instance, silk, the most extravagant article in the clothing schedule. We were dependent only a few years ago upon France and Germany and Japan for silk. Now we are the greatest silk-producing country in the world. Our nearest competitor is France. Last year they used \$9,000,000 worth of raw silk, and we used \$13,000,000 worth of raw silk. How do we do that? Well, I will tell you how we do it. We do it

under Republican policy by building up home industries, by admitting free of duty everything that we can not produce in great abundance, and raw silk is one of the things.

We can in the South produce raw silk. The mulberry tree will grow in South Carolina, Florida, and some of those States, but to take care of those silkworms you must have cheap labor, and the faithful hands of children and women who will do the chores, who will care for the silkworm at 25 cents a day. We do not want any American woman or child to work for 25 cents a day. So under all the parties, Democrats as well as Republicans, we have allowed the raw silk to come in free; but under the aegis of Protection we have built up the greatest silk-manufacturing industry in the world. You need not pay a cent of duty on silk; you ship it in free of duty and manufacture it at home, and keep both the silk and the money at home.

### Effect of Protective Duties on Imports of Food Products.

*From the Congressional Record of May 31, 1909.*

NELSON W. ALDRICH, of Rhode Island. If the duties upon bacon and hams were removed, it is not at all certain that there might be very large importations of both articles. It does not follow because the rates, being Protective, have prevented the importations of large quantities, if the rates were reduced or removed there would not be large importations. That is true all through these schedules. These rates are Protective, and if they are Protective, the importations may be small. There may in certain cases be nothing at all paid. Still that does not take away from the rates their Protective character.

Mr. GALLINGER. I would not at all agree to the suggestion that possibly removing the duty entirely upon beef, for instance, would not result in a very large importation, because Canada is now sending her beef to England, and if she could get into this market on a Free-Trade basis, we would undoubtedly be deluged with Canadian beef.

### The Protective Principle Not Abandoned in Any of the Duties.

*From the Congressional Record of May 31, 1909.*

WELDON B. HEYBURN, of Idaho. Mr. President, my experience has taught me that when you talk to the farmers and to the others to whom the Senator refers they are very apt to talk back, and they do not necessarily accept the statement that it is sufficient. They want to know if that is sufficient, why the Republican party has been doing more than sufficient in the way of Protecting them. We have talked to these people throughout the country during the last and other campaigns, and we have told them that the measure of Protection which the Republican party gave them was necessary for their success and for their benefit.

Mr. ALDRICH. The committee and the Senate, following the recommendations of the committee, have reduced the duties on nearly 350 items in the bill. They have not in any case reduced them below what was in their judgment the Protective point; and it is not possible for us to say to the people of the United States that in making those reductions we have abandoned the Protective principle in any one of them. I do not intend to go before the people of this country, or to have anybody else go before the people of this country, and say that we have abandoned the Protective policy because we have reduced in our judgment the duties imposed by some of these paragraphs.

Mr. HEYBURN. The committee has tended to confirm that in my mind which they now count an error. The field of information in regard to this matter is open to all of us. There is no Member of this body who has stood for the Protective Tariff policy and principle longer than I have so far as it is represented by the Republican party to-day. I would not be a Republican one hour if it were not that it stands for the Protective-Tariff policy.

#### *Duty on Hams and Bacon.*

The Senator from Rhode Island says that 3½ cents will protect this industry fully as well as 4 cents. That is a question upon which men may differ.

We have grown up in the great Northwest the industry represented by these items in a measure that is little apprehended by those who only know us upon the map. There have been years in that country when wheat on the market would not bring 20 cents a bushel, when we brought in hogs by hundreds and thousands and fed the wheat to them. It was the best market we could get. I know communities today as large as some of the States that have no transportation for their grain. They raise the wheat and they raise the pigs, and they feed the wheat to the pigs and drive the pork to the market on foot. I have seen vast herds of these animals bringing down the farmer's crop to the railroad to be converted into a marketable commodity, and sold not to the meat trust, but the surplus of these ranches sold into the markets of consumption.

Mr. CUMMINS. I ask, Do your farmers believe that this duty on bacon and hams affects the price of their hogs? Do you think so?

Mr. HEYBURN. Does the Senator believe that the duty on wheat affects the price of wheat?

Mr. CUMMINS. I do not.

#### *What Interest Has the Farmer in Protection?*

Mr. HEYBURN. Then the Senator and I do not belong to the same school of politics. When I went among those farmers in the Kootenai Valley last year, and they said to me: "What interest has the farmer in Protection?" I said, "Four dollars a ton on your hay." They have lines of stacks of it there, such as you never saw outside of the Platte. I said, "You have \$25 a head on your horses," so much on your swine, so much on your sheep, so much on your vegetables, and so much on all the commodities you produce. They opened their eyes, and they said: "I guess this old Republican party is worth inquiring into." They wanted to know more about it, and the more I told them the better they liked the principles, and that one county gave 2,000 Republican majority, when it used to go Democratic.

Mr. President, the Senator from Rhode Island [Mr. Aldrich] has expressed exactly the political doctrine to which I adhere. I have already

stated repeatedly to the Senator from Georgia [Mr. Bacon] that the duty is not added to the cost of the article, but that it is a barrier against the intrusion of a man who comes in to undersell you. The price which the American producer receives is a fair price for his labor upon the standard of American labor and the American method of doing business. We do not have to inquire what the motives or the intentions of the intruder are. We know that the compensation which the producer in this country receives—whether he is a producer of labor or of material or of whatever you may choose—that the compensation is based upon a fair remuneration to the producer. That is the basis.

Mr. BEVERIDGE. Then, according to the last statement, the Senator from Idaho did not tell the farmers of the Kootenai Valley that they were getting \$4 a ton extra for their hay?

Mr. HEYBURN. They were not. They were getting what their labor was worth; they were getting what they were entitled to receive on an American basis, and not on the basis of some foreign country.

I am not speaking for Idaho alone in this matter. It is high time that we take stock and ascertain where we stand here in regard to this principle for which the Republican party stands. We will not whittle it away. A good many millions of American people indorsed it only a few months ago. You could not go into Idaho and win for the Republican party and eliminate the Tariff from the presentation of your cause. They are, as I am, Republican, because they believe in the principles contained in that platform which I read to you a few moments ago; and I do not propose to go back in the next campaign in Idaho and apologize to them for the Republican party for its loyalty to the principles of Protection.

#### **Sound, Rational and Economic Principle Governing the Cotton Schedule.**

*From the Congressional Record of June 1, 1909.*

REED SMOOT, of Utah. Mr. President, the amendments proposed by the



Finance Committee to the cotton schedules are the work of that committee, prepared under its direction, in language which, in their judgment, best meets their approval regardless of who may have suggested particular phraseology. The committee was concerned with results, not with technical authorship. Pertinent suggestions of manufacturers, importers, the Ways and Means Committee, customs officials and the language of the House bill, were accepted or rejected as they met the approval of the committee, and the bill was reported reflecting the views of no man or men except the committee, and calculated to levy fair, uniform rates of duty, producing the most possible revenue, and levying an equivalent ad valorem less than that provided by the Dingley law as contemplated by the Congress.

The records of the Senate show that this work proceeded by subcommittee long before the Ways and Means Committee commenced its work, and men, including certain customs officials, were detailed to gather such information and suggestions as would enlighten the committee as to present administration of the law and needed amendments to produce uniformity where wanting.

The fact that manufacturers or importers expressed satisfaction with existing laws in no sense controlled the efforts of the committee. It requires no exercise of intelligence to know that such in many cases might prove absolutely fatal.

In the enactment of a Tariff law there are other parties concerned than the manufacturers and the importers of the article. The United States Government is immediately concerned that proper and consistent revenues be collected upon all dutiable articles. The public with money available for investment is also concerned that duties should not be levied solely for the Protection of existing manufacturers or for the advantage of existing importers. Such uniform and consistent duties should be levied as will not conserve monopoly of any lines, and that all may have an equal opportunity for the investment of capital and the embarkment in every possible legitimate enterprise. In that view the committee proceeded.

### *Changes Necessitated by Experience.*

Upon examination of the cotton schedule of the Dingley law as administered to-day it was found vastly different from that contemplated by the Congress when enacted and as administered for several years immediately after enactment. It was ascertained by the committee that by a constant process of elimination of certain of its provisions in the scope intended by Congress goods of the highest value and classes are coming in at the lowest rates; goods of low value are coming in at high rates, and goods of the same value when imported under one paragraph are paying a vastly different rate than when imported under another paragraph, all resulting in a reduction of about 20 per cent in the rates of duty contemplated in the Dingley law.

The statement that this provision in the Senate bill increases the duties from 7.63 per cent to 42.75 per cent is not borne out upon analysis. The true statement of the situation as to this paragraph is that under the Senate bill the high-priced goods, of 16 cents per square yard, will take a higher rate than 7.63 per cent; while many of the goods previously coming in as etamines, at 60 per cent, will come in at a fair rate of between 25 and 40 per cent ad valorem, according to value, as provided in the added provisions of this paragraph, and there will be an equitable distribution in the levies of duty in accordance with the value of the article.

It has been charged upon this floor that the Senate changes are reckless and unintelligent. This is not true. These changes follow a fixed principle, the same that underlies the whole framework of the Dingley law.

This principle was the sound, rational, and economic one that cotton cloth of the same value and condition should pay the same rate of duty.

### *Average Rates Lower Than the Dingley Law.*

These tables demonstrate the claims asserted by the Senator from Rhode Island [Mr. Aldrich] and the Senator from Massachusetts [Mr. Lodge] that the Senate bill provides average rates lower than the Dingley law. They show the average ad valorem rates

upon the cotton fabric and article paragraphs to be, for 1898, 43.52 per cent; for 1899, 44.19 per cent; for 1900, 43.89 per cent, as against 38.66 per cent for 1907, and the estimated rate under the Senate bill of 43.58 per cent.

The committee took into consideration what was necessary to repair the Dingley law, not to give the entire Protection afforded by that law, but to give such partial Protection as would be adequate for the demands of the present day for the manufacturing interests of the country. Instead of approaching the high rate of 60 per cent afforded in the Dingley law, and an average of about 48.50 per cent upon all the cotton cloth and article schedules, the new provisions adopted the average rate of not more than 43.50 per cent, and so constructed all the schedules that a uniform and complete system of duties shall be collected.

I have said "not more than 43.50 per cent," for while tabulations show this average rate, it must be borne in mind these are estimated upon averages between the lines adopted. As a matter of fact, importations will mostly be nearer the low line, which undoubtedly will reduce this average rate.

#### *An Emergency which Demanded Proper Action.*

The committee believed it the part of wisdom, that would be concurred in not alone by Congress, but by the whole country, that this was an emergency which demanded proper action by the Congress. The committee, therefore, did not feel itself bound by the stated interests of manufacturers in certain lines or importers in certain lines, who may or may not have proceeded to divide up the field, but the committee believed it infinitely better for the welfare of the whole country that a law should be established which would invite all capital to invest in every line of cotton manufacture, and which by affording uniform Protection on the higher lines of cotton manufactures would withdraw the northern manufacturers from a contest with the southern manufacturers in an inevitable and necessary effort to regain the field of trade now occupied by the latter. Believing it better that there be adequate Protective duties against the im-

portations of high-class manufactures; believing it better to make good the Dingley guaranty to the manufacturers of high-class cotton goods of a market for these goods in this country which could not be undersold by foreign manufacturers, the Senate committee presents this bill.

And the committee submits that the comprehensive plan which is adopted, which, in fact, lowers the equivalent ad valorem rates of duty intended in the Dingley law under this schedule, and at the same time best serves the interests of the great cotton industry of the whole country, both North and South; which insures the employment of thousands of workmen and millions of spindles, North and South; which guarantees a home market for the raw cotton of the South, will receive the approval of the Congress and of the whole country.

This bill, as shown, does not increase the average ad valorem; it more proportionately distributes them. They are now lower than the specifics below them. They were intended in the Dingley law to be higher than those specifics. The question here which this Congress must decide is, Will we, when the country is growing richer and richer, demanding finer cotton fabrics and novelties, surrender this great market to the foreign manufacturers by maintaining less rates of duty on high-grade than on low-grade cottons? Will we deny our manufacturers the same Protection in this field as they have in the field of low-grade cottons? Will we make good our Dingley promises on the high-grade cottons for the prosperity, peace, and welfare of all sections and all the people?

The Senate bill adopts this latter course. It is for the Congress to decide. The committee submits its measure in confidence of approval.

#### **What Was Said and Done Concerning Tariff Revision by the Republican Convention of 1908.**

*From the Congressional Record of June 2, 1909.*

HENRY CABOT LODGE, of Massachusetts. Mr. President, I am going to begin by stating very briefly what

I consider to be the true nature of the revision with which this Congress is charged, because I think this cotton schedule is a very fair example of what a proper revision of the existing Tariff law should be.

Early in this debate the Senator from Rhode Island [Mr. Aldrich] and I happened to state incidentally that the Republican declaration of principles contained no pledge or promise of a revision downward or a revision upward. For that statement we were severely criticised. We could not have been more severely criticised if we had uttered a falsehood instead of stating, as we did, the exact truth. I desire, therefore, to call attention very briefly to what was actually said and done by the Republican national convention at Chicago. I had the honor to preside for three days over that convention after it was organized. I had been at Chicago for ten days previously, in attendance upon the national committee. I think I saw and spoke with as many delegates as anyone there. I am certain I followed all the proceedings of that convention with the closest possible attention. If the words "downward revision" or "upward revision" occurred in any official utterance, or were suggested by any delegate, they entirely escaped my notice; but as memory is fallible, I have taken occasion to look over the official stenographic report of the proceedings of the convention. The officers of the convention who spoke, and who in a sense, I suppose, may be considered to have expressed the views of the convention and the policies of the party, as they understood them, were the temporary and the permanent chairmen.

***What Temporary Chairman Burrows Said.***

The temporary chairman, the senior Senator from Michigan [Mr. Burrows], in referring to the Tariff, said:

In this connection it can be safely promised that whatever revision or readjustment takes place under the control of the Republican party, it will give just and adequate Protection to American industries and American labor, and defend the American market against unjust and unequal aggression from whatever quarter it may come. It will be a revision that will extinguish the fire in no American mill or put out the light of hope in no American home.

That certainly was as excellent and

admirable a statement as it was plain and direct. It contains no allusion to what direction revision of the Tariff should take.

The permanent chairman made no allusion to the Tariff whatever in his speech. He dealt with other questions.

The Republican platform was then reported, and contains the paragraph which has been read here. I will not read it all again, but I will ask that it be printed.

I call attention to the fact that this clause of the Republican platform declared for a revision of the Tariff by a special session of Congress, and laid down the principle upon which that revision should be made. It also favored the establishment of the maximum and minimum rates, and concluded with a paragraph about the Tariff between this country and the Philippines. It said nothing as to what the revision should be or what direction it should take.

Mr. President, nothing has been so absolutely misrepresented as the point I am now going to make. As a matter of fact the revision made by the House, the revision reported by the Senate committee, the revision on which we are now engaged, is a revision downward. If you are to call it a revision downward when a majority of the changes in rates are reductions and not advances, it is

***Overwhelmingly a Revision Downward.***

The pamphlet which was prepared shows 379 reductions. Remember that the standard of revision is not what the House passed as their form of revision. That which we are revising is the Dingley Act, the existing law, and taking the bill as it came from the Committee on Finance, including the House changes and our changes, there are 379 reductions and some 33 increases, practically every one of the increases being on articles of luxury, like wines or perfumed soaps or perfumery, and the rest very largely on agricultural products.

Let me say first, Mr. President, that I am not concerned to defend or uphold or explain amendments offered by Mr. Lippitt and Mr. MacColl to the House committee and not adopted. Among the amendments they suggest-

ed was one which was embodied in the House bill. Whether it was put in there because they suggested it or because the House committee of their own motion thought it was a proper duty to put in, I do not pretend to say. I see no reason why, if it was suggested to the Committee on Ways and Means and they thought it a good suggestion, they should not put it in, even if the suggestion came from an American manufacturer.

*An American Manufacturer Quite as Entitled to Consideration as An Importer.*

I think an American manufacturer is quite as entitled to the consideration of a committee and of the country as foreign importers, and there has been no lack of suggestions from the latter. If the importers made good suggestions they would be adopted, and some suggestions made by importers on classifications, I think, have been adopted in both Houses. But to me the suggestions of American manufacturers, able and honorable men employing American labor, would always have preference. The other suggestions about the counting of filaments, of which so much has been said, have not been adopted by either House, and I am not going to waste time over that proposition, which is only brought forward to "fright us with false fire."

*Prices Have Risen in Europe, but Labor Has Not Risen in Europe.*

For the same reason that sugar has not risen—because there is an oversupply. We were shown the other day—I do not know whether the Senator from Rhode Island printed it; it ought to be printed—a report of the George P. Peabody fund in London, which rents homes to working people. It rents them. It is not a charity in any sense. It shows that they have over 19,000 people living there, and the heads of the families are engaged in skilled trades. They are not the poorest class or the workers on the streets; they are skilled mechanics.

The average weekly earnings of the head of each family in residence at the close of the year was 1£ 1s. 9d. In the cases in which the governors pay, the rates, the average weekly charge, including the rates, of each dwelling

was 5s. 4d. a week, and of each room 2s. 4d. The rent in all cases includes the free use of water, laundries, sculleries, and bathrooms.

The mean population during the year was 19,914, showing a density, after taking into account the occupied portion only of the Herne Hill and Tottenham estates, of 571 people to the acre, or 9 times that of London. An average wage of \$5.25 a week among skilled mechanics, taken at hazard from all trades in London, gives a vivid idea of this labor with which our labor would have to compete if it were not protected by the Tariff.

Mr. President, what is the use, in the face of facts like these, of talking about wages being the same there as here? The reason why the gold does not affect those wages is because there are more men than there is work. If you apply it to the labor in this country, you will find that with the gold force bringing with it increased prices, bringing with it prosperity, if you please, wages go up in the same way, because the supply of labor is not excessive.

*Advances in Wages in the New England Mills.*

I have shown you what the advances in wages were in the New England mills. They had advanced in prosperity, and the advance in wages was 32 per cent. It is the same in the woolen mills. The figures are all printed in the Tariff hearings. The Government Manufacturing Bulletin of 1905 shows that the wages in the cotton industry in those five years, from 1900 to 1905, had risen 10 per cent. The wages abroad have not risen as they have risen here. Therefore, when we meet their competition, we are meeting a competition in which we are fatally handicapped, if we meet them on equal terms of Tariff, by their lower rate of wages. We have to pay more for what we consume because gold is carrying up the price of all articles throughout the world. Look at the figures I gave of the food products. Textiles fell, minerals fell, materials fell, but the food products of the world did not fall. With the great depression of business, which was world-wide, the food products—animal

food and vegetable food—gained a point absolutely in the teeth of the depression of last year.

*Prices Not Materially Affected by the Tariff.*

Mr. President, in talking about prices let us be fair. Prices are not going to be affected materially by the Tariff. The things that cost the people most, the absolute necessities of food, are not going to be got rid of by a change in the Tariff.

Mr. President, I wanted to call attention to a few facts in regard to the great cotton industry. In 1905 there were 310,000 people in the United States earning wages in the cotton industry. In Massachusetts there were 88,033 in 1905, and in 1900 there were 92,085. The maximum prior to 1905 was 100,982. The capital was \$605,100,-164.

During this time, which has been a period of prosperity, until within a year, wages have been advanced in those industries, as I have shown, 32 per cent, and the hours of labor have been shortened in Massachusetts to fifty-six hours per week and to fifty-eight in the other New England States.

Mr. ALDRICH. To fifty-six in Rhode Island.

Mr. LODGE. To fifty-six in Rhode Island also. The wages paid out were \$94,377,696, and, as I also pointed out, the increase since 1900 to 1905 was 10.9 per cent; that is, there was 2½ per cent increase in the number of wage-earners and an increase in wages of 10.9 per cent.

Under the general cotton products, we imported \$31,869,000 worth; under cotton laces, \$39,737,000; and under wearing apparel, \$1,358,000, making a total of \$73,964,000.

*All Could Be Made Here Without Advancing Prices.*

Mr. President, almost all of that could be made here without advancing prices to the consumer, if we can be allowed to take possession of our own market. There were 310,458 wage-earners in 1905. That means probably one million and a quarter people who derived their earnings from the mills. There are 155,000 in New England. There are 31,000 in the Middle States. There are 120,000 in the South. There

are 2,000 in the Western States. That is a great body of people, Mr. President. We hear a great deal in this debate about consumers. All those people are consumers. They are also buyers. They buy rice with duty of 100 per cent. They buy tobacco, with its eighty-odd per cent duty. They buy all the articles of the agricultural schedule, and they do not complain.

It is impossible to draw a distinction between consumer and producer. These people are entitled to the same consideration as every other body of American citizens. They are a large, industrious body. You can not bring down the duties on what they make without affecting them. The only flexible point that remains in the cotton industry is wages. Domestic competition, in the absence of all combinations and trusts, has been sharp and brought them close together. If you lower duties, you lower wages or deprive all these people of employment.

*The Old "Robber Baron" Resurrected.*

I was interested the other day, Mr. President, when the Senator from Georgia brought out my dear old friend, the "robber baron." I have not heard of him for a great many years. We have had so many monopolists and trusts that the "robber baron" goes back almost to the earlier Victorian times and the days of the Manchester school, when the view which the English people took was that Free-Trade of the Manchester school variety was not only true economically, but that it was also true morally; and anyone who questioned it was a depraved person, ready to question the procession of the equinoxes or the Ten Commandments. We have passed a good way beyond that belief and its queer economic fallacies; but the "robber baron," riding on his forays into the rest of the country, which is just as able to make cotton goods as New England, or New York, or Pennsylvania, or South Carolina, belongs to that old period. When I heard of him once more, it carried me back to the time of the Mills bill, when the "robber baron" rode up and down with great vigor in our debates. I want to quote something that Mr. Reed then said about him. Mr. Reed had a way of saying a wise and penetrating thing

more epigrammatically, and putting more wisdom into an epigram, than any man I have ever seen in public life. In his speech on the Mills bill he said this:

*"They Think It's Political Economy."*

After all, this exaggerated idea of the profits of manufacturers is at the bottom of the chairman's feelings. Whenever I walk through the streets of that Democratic importing city of New York and look at the brownstone fronts my gorge always rises. I can never understand why the virtue which I know is on the sidewalk is not thus rewarded. I do not feel kindly to the people inside. But when I feel that way I know what the feeling is. It is good, honest, high-minded envy. When some other gentlemen have the same feeling they think it's political economy.

Look at the feeling of our extreme Western people on the Pacific coast against the importation of Asiatic labor. There is no use in talking "laissez faire," or "buying in the cheapest and selling in the dearest market" to them; they do not propose to have that competition at their doors. Their instinct is absolutely right, in my judgment; and that instinct is just as strong among the people on the other side of the imaginary line in British Columbia. The men of our race here do not propose to have their standard of living lowered to such a point; they will not endure it; and the introduction of a lower-priced labor is just the same in its effects, whether it comes in the form of a man or of the man's work in the goods.

I ask for no extravagant Protection; but here is a great industry, with

*Over a Million People Dependent Upon It.*

An industry that can be set up anywhere. I say that it is for the interest of this entire country that this industry should be fostered and built up. It is small benefit to the people of this country if you lower the price a little on mercerized goods to those who buy at the department stores in New York and elsewhere and throw out of employment thousands of working people scattered from Maine to Florida. It is more important to us to have those people employed. That is what I care about.

My own interest in these mills is next to nothing; but my interest in the welfare of that manufacturing population in Massachusetts is intense. We

have got 488,000 people in my State engaged as operatives in all forms of manufacture. The life of the State is there. It is easy enough to say with cheerful indifference, as the Senator from Kansas said, that if the industry does not pay, let them find employment somewhere else. That is a hard measure, Mr. President. Their labor, their bread, is all there; their capital is there in the skill of their practical hands. It is all they have got, and they have been given opportunity for labor and Protected in it by the Government. They are grateful for it. They sent their own representatives here to the Committee on Ways and Means to speak for Protection. They are as eager for it, more eager than anyone else. It is for those people I plead. It is not that the manufacturer may make more money. I am not anxious about the capitalist. He can take his capital and go to China, if he chooses, and make money. I am not worrying over him; but I am worrying over the thousands of people in those mills whose homes, whose lives, whose hopes, whose everything are bound up in this great industry. What matter does it make whether they live in Massachusetts or in South Carolina? They are Americans. Let us give them a chance to make all the goods they can. Domestic competition has kept the price down, and it will keep it down, but give these wage-earners a chance to work.

**Low Profits Realized by Cotton Mill Owners.**

*From the Congressional Record of June 2, 1909.*

WILLIAM P. FRYE, of Maine. Mr. President, the last remark of the Senator from Minnesota [Mr. Nelson] leads me to violate a studied purpose to vote and not talk; and it was also suggested by the Senator from Oklahoma [Mr. Gore], who cited the Bates mill in my own city as an illustration of remarkable profits.

I am familiar with the Bates mill. I can remember when it scaled down, by the authority of the legislature, 75 per cent of its stock. It subsequently increased its stock to \$1,200,000, and it has been paying dividends on the \$1,200,000, while it has a productive

capacity of at least \$3,000,000, and on that productive capacity it has not paid over 6 per cent. It has more machinery to the square foot than any other mill in the United States. Fortunately, it made a line of goods like the Amoskeag mill, and it has been profitable. But, at the same time, the Continental mill, an enormous structure, built, I should say, twenty-four years ago, never paid a dividend until last year, and then only 4 per cent. In addition to that, the Continental mill, by authority of the legislature, reduced its capital one-half.

Then again, the Hill mill, with fine factories of large capacity, have for the last ten years been paying dividends most of the time at 4 per cent, and the stock, \$100 being the par value, went down to \$35. By the authority of the legislature this last year they cut down their capital one-half.

Again, the Lewiston mill, in the same city, some twenty years ago, finding it could make nothing, gave up the business of manufacturing. Its machinery and its factory stood for fifteen years without any use whatever. Then the mill and machinery were sold at auction for one-tenth of the original cost.

In making up these computations of profits nothing is said about the mills which have been unfortunate. If an average could be drawn of all the cotton mills of the United States, you would not find that the average would be over 6 per cent.

### Foreign Interference with the Making of American Tariffs.

*From the Congressional Record of June 3, 1909.*

NELSON W. ALDRICH, of Rhode Island. I repeat that any attempt on the part of any government at any time to influence the legislation of Congress upon Tariff matters is impertinent. I say that of any such attempt. I do not say that the German Government has made any such attempt in this case; but I say, if it has, it would be impertinent, or if any government makes that attempt it would be impertinent.

I will say further that an attempt to influence the legislation of Congress

by furnishing anonymous statements which can not be used by the Government itself for the enforcement of its own laws is a thing which should be deprecated by every Senator of the United States, whatever may be his views upon this question.

Mr. President, as to the statement now made by the Senator from Missouri there is no question; and I certainly would not have undertaken to criticise the statements which were sent to us if they had simply furnished facts without reference to legislation which was going on in the United States; but these gentlemen were not satisfied with furnishing facts, they undertook to answer statements and to deny statements made by American producers with a view of influencing our legislation. That is what I am objecting to, and that is where the impertinence in this case comes in.

### *Our Greatest Rivals in the Industrial and Commercial World.*

No. It will not do to say that I made any attack of any kind upon the German nation or upon its representatives. They have followed the policy of Protection in recent years to an extent that no other nation in the world has, not only by their legislation, but by regulations, by rebates in freight, and in a thousand different ways of which we have never thought. They have built up the industries of Germany to an extent which is greater than that of any other nation except the United States. They are entering the markets of the world in competition with Great Britain, and with France, and ourselves. They are entering those markets encouraged and Protected by the full force of the German Government on all occasions, and the representatives of that government would be the last people in the world to expect their interests to be paraded in the Senate of the United States as reasons why we should not follow the policy which the interests of this people and of their interests dictate. They have a right to be friendly with us. But they are rivals. They are our greatest rivals in the industrial and commercial world, and while they are Protectionists, while they are carefully guarding the interests of their people, they would

never consent, in my judgment, to have the interests of their manufacturers sent here to help a party here or a policy here which would be destructive of the interests of the United States.

### **Democratic Zeal in Behalf of the Interests of Foreign Competitors.**

*From the Congressional Record of June 3, 1909.*

CHAUNCEY M. DEPEW, of New York. I think whatever may be the failure on the part of the chairman of the Finance Committee and myself to say the proper thing to placate the sensibilities of the German Government, all that deficiency has been amply met by the eloquent, able, incisive defense of the German Government which has been made by the Senator from Missouri. I do not think that any Senator, nor even Prince von Bulow himself, could have better presented the case of Germany than it has been presented by my friend from Missouri. Every element of rhetoric, every resource of oratory, every creation of logic, and every appeal to German patriotism has had its full satisfaction in the admirable presentation of the German case by my friend from Missouri.

Just one word further. The detail with which the Germans are entering our country to compete in everything is evidenced in the lithographs which we have all received. Every town in the State of Missouri that has a school-house that will hold 500 people, or a railway station which is the admiration of the neighborhood, has a post card revealing the beauties of this piece of architecture, and on it is "made in Germany." The same is true of every other State in the Union. The sightseer in Washington is met at every turn by a boy asking the tourist to buy a post card as a souvenir of the capital of his country, and when he admires the picture of the White House or the Capitol or the Library he discovers that it was made in Germany.

*It Makes a Difference Whose Advice Is Taken.*

Mr. ALDRICH. If the Senator from Missouri should come here, as he has on several occasions, and make a

statement that American manufacturers were wrong in their conclusions, and upon his own responsibility as a Senator say that the rates ought not to be put up, I have no objection to that at all. But the Senator from Missouri comes here with a statement, which he says is a statement of the German Government, and produces figures which he says are official figures in answer to the request of the representative of the United States in Germany. Does the Senator suppose that Mr. Hill, the ambassador of the United States in Germany, asked the opinion of the Nuremberg Chamber of Commerce whether the particular rates which we propose to fix in our Tariff bill were too high? Is that the purpose of this information? I think not.

Mr. STONE. I do not care whether it is testimony coming from the lips of one man or another; nor whether he lives in America, in Germany, or in any other country. All I want to know is the actual truth.

Mr. ALDRICH. It makes a great difference to me, and I hope to a large majority of the Senate, whether we are to take the opinion and follow the advice of men who are interested in destroying American industries or those who are engaged in building them up in this country.

### **"If There Is Anything on Earth I Do Not Like, It Is a Spotted Protectionist!"**

*From the Congressional Record of June 4, 1909.*

WILLIAM O. BRADLEY, of Kentucky. Senators talk about reducing the wages of labor. I know there are some gentlemen on the floor of the Senate who talk eloquently upon the subject of Protection, who, as soon as the question of jute is raised, vacate their seats and run into the cloakroom. Why? They are the very Senators in this body who are for the highest Protection on manufactured jute, because it is in their own section, and they are willing to sacrifice the farmer of this country, to injure the hemp grower and the flax grower, but they are not willing to sacrifice the jute manufacturer in their own section.

In the language of the Senator from



West Virginia [Mr. Elkins], if there is anything on earth I do not like, it is a spotted Protectionist. This doctrine is right, or it is wrong. If Protection is right upon one article, it is right upon all where that article needs Protection in order to foster the industry.

I want Senators to indulge me while I speak under this state of alarm. It is a strange thing to me, Mr. President, that there is no Protection to the farmer in flax or hemp. It is a strange thing to me that 4,700,000 tons of flax straw in your States are burned up and go up in smoke every year because you can not compete with jute.

You want Protection for lemons in California. I believe in Protecting lemons in California. [Laughter.] You want Protection for lumber in the State of Washington. All right; I believe in Protecting lumber in the State of Washington. [Laughter.] You want Protection for coal and iron in West Virginia and Alabama. All right; I believe in Protecting coal and iron. [Laughter.]

***"I Believe in Protecting Everything that Needs Protection."***

Now, I want to know whether other Senators are equally as fair and as honest in this respect. You say you have not enough Tariff on jute manufactures; that if you have a duty on jute you must increase it on your jute manufactures. If that is true, increase it. Increase it; that is your business. [Laughter.] But, in the name of justice, do not Protect your jute manufacturers when you refuse to Protect the farmer from the importation of free jute. If there is anything in this world that is imported into the United States free, that is absolutely a source of disgust to an American citizen, it is jute. [Laughter.] Where does jute come from? Who are the people who make jute? Heathens; yellow men, spotted men, everything on earth but white men. They go out and work in the fields. I had some pictures of some of them the other day. I wish you could see them. They have never found out that the day of fig leaves is past. [Laughter.] And that is the sort of degraded labor that you reward in free America by allowing jute to come to your shores unprotected.

I appeal to the Senate for justice in

this matter. It is true I come from the State of Kentucky, but I am not ashamed of that. There is no better State on this earth than Kentucky. Kentucky is like a man's wife was when she said that there never was a better woman on earth than she was as long as her husband would let her have her own way. [Laughter.]

Why should we not have this Protection? What is the reason why we should not have it? Are we a part of this country or not? We pay more internal revenue [laughter] than any State in this Union except two. [Laughter.]

***"We Are Not Called Upon to Equalize the Standard of Living Between the Woolen Workers of Germany and Our Own."***

*From the Congressional Record of June 4, 1909.*

WILLIAM ALDEN SMITH, of Michigan. Mr. President, yesterday I interrupted the Senator from Wisconsin [Mr. LaFollette] for the purpose of discussing the "German report," so called. The Senator from Wisconsin said that he did not care for any surmise as to the possible effect or purport of the report. I held in my hand at the time I addressed the Chair and interrupted the Senator from Wisconsin the following from the Augsburg (Germany) Chamber of Commerce, and I was about to read this sentence concerning the wage in the cotton industry:

While the average wage of a weaver of ordinary efficiency runs from \$3.75 to \$4.50 per week, this sum is often exceeded. The probable difference in favor of the American workman is in the proportion of 2 or 2½ to 1. This, however, is practically equalized by the fact that the standard of living is nearly twice as high in America as in Germany.

What I wanted to say yesterday to the Senator from Wisconsin and what I propose to say now is this, that it is not the province of the Augsburg (Germany) Chamber of Commerce to comment on the high standard of living in America as compared with Germany as an offset to the difference in wages between workmen in the woolen industry in Germany and workmen in the woolen industry of our own country,

Mr. President, I was not guessing or surmising or speculating about it. I happened at that moment to have in my hand, through the courtesy of the chairman of the Finance Committee, the argument of the Augsburg Chamber of Commerce upon our Tariff policy, and that statement in its manner and form is a voluntary impertinence upon the part of our commercial rivals.

It is said that our legislation, if we are faithful to the declarations of our party platform, must be based upon the difference between the cost of labor here and in Europe. That, perhaps, may be a fair measure, although difficult to ascertain, but, Mr. President, we are not called upon to equalize the standard of living between the woolen workers of Germany and our own. The woolen workers of our country may live as they please, with carpets on their floors and chairs and tables in their houses. This is the American standard of living, and the higher the standard the more creditable it is to us.

#### *Denies the Right of Foreign Interference.*

I deny the right of any foreign board of commerce to comment upon the high standard of American living as an argument in favor of lower duties against our competitors in Europe.

Mr. HEYBURN. I should like to know that I understood the Senator correctly as criticising the right of a private organization that wanted to make such comment as it may choose to make upon anything connected with the American Government.

Mr. SMITH, of Michigan. I criticize the right of any foreign board of commerce, representing our rivals, to suggest the measure of difference that should be prescribed in our Tariff law as between the products of their country and our own.

I will quote to the Senator the exact language of the Chamber of Commerce of Augsburg again:

While the average wage of a weaver of ordinary efficiency runs from \$3.75 to \$4.50 per week, this sum is often exceeded. The probable difference in favor of the American workman is in the proportion of 2 or 2½ to 1.

Now, I make no complaint about that. That is the wage scale;

This, however, is practically equalized by the fact that the standard of living is nearly twice as high in America as in Germany.

Our standard of living is what we make it. I am proud of the fact that it is high; but it has nothing to do with the cost of production; it is a tribute to the frugality of our people and the wisdom of our laws.

#### **The Lemon Industry of California in Need of Additional Protection.**

*From the Congressional Record of June 5, 1909.*

FRANK P. FLINT, of California. The purpose of this amendment, increasing the duty on lemons from 1 cent to a cent and a half per pound, is to place lemons on an equality with oranges and other citrus fruits. The cost of producing lemons is considerably in excess of the cost of producing oranges, by reason of the fact that it requires more work in caring for the trees, in picking the fruit, and in preparing it for the market.

The lemon industry was established in California about twenty years ago. A few pioneers commenced planting trees in large numbers about that time, and in the course of ten years, or about the year 1898, there had been planted something like 6,500 acres. Encouraged by the Dingley Tariff of 1 cent per pound, the acreage was more than doubled during the succeeding four years, and in 1892 it amounted to about 15,000 acres; but by this time the growers had learned that on account of labor conditions they could not compete with the foreign grower and they commenced to rebud their lemon trees to oranges, and the acreage in lemons rapidly decreased for the next two years, and in 1904 there were only about 9,200 acres remaining.

#### *One Cent a Pound Duty Not Sufficient.*

Experience had proven that 1 cent per pound was not sufficient to protect the lemon industry. Every effort was made to place it upon a paying basis, and notwithstanding the improved methods which had been introduced, the industry in California was in a grave danger of annihilation. At this time the transcontinental railroads, foreseeing the disaster, came to

the rescue with a reduction in the freight rate from \$1.25 to \$1 per 100 pounds to practically all points in the United States and Canada. This again encouraged the growers to plant lemon trees, and under these circumstances the acreage has been increased until at the present time there are about 26,700 acres of lemon trees, with an annual output of about 1,585,000 boxes.

But now the lemon industry in California is again in a precarious condition, owing to the competition of lemons from Italy, where they have the advantage of low-priced labor and cheap transportation. The result is that our growers find themselves unable to successfully compete with the foreign producers, and there are now about 2,000 carloads of lemons in storage in southern California for which no markets at living prices have been found, and the growers are again in very considerable numbers rebudding their lemon trees to oranges. The industry is at a standstill, and unless relief is obtained in this bill, it will only be a few years until this country will be dependent upon foreign producers for practically its entire supply of lemons. The California grower will not continue to devote his time, capital, and land—that can be made to produce a reasonable return in other industries—to the raising of lemons if he is to receive no profit from the investment.

The world's production of lemons is approximately 70,000 car loads per annum. Of this amount Italy produces 65,000 cars and California 5,000 cars.

#### **Importations Have Increased Faster Than Domestic Production.**

The United States consumes annually of lemons and by-products of lemons approximately 19,000 carloads, made up as follows:

California product .....	Cars.
Foreign importations .....	5,000
	7,000
Total .....	12,000
By-products of lemons—citrate of lime and lemon oil—all imported.	7,000
Total .....	19,000

While the California production has increased during the last eight years, the increase has not kept pace with the increase of importations. California has never furnished so much as

40 per cent of the total amount of lemons consumed in this country, and during the past eight years has made no material advance in the per cent of production to the total consumption.

The receipts of foreign lemons in 1908 were 2,231,125 boxes, which was the heaviest importation in the history of the business, and was an increase of over 400,000 boxes in excess of the importation of 1901. From November 1, 1907, to April, 1908, 350,700 boxes of lemons were imported, while from November 1, 1908, to April 1, 1909, the importations amounted to 426,729 boxes, or a gain of 76,029 boxes during the first five months of the present year, which accounts for the storage of over 2,000 cars in California. This directly disproves the statement of the counsel for the importers when he said to the Ways and Means Committee that the earthquake at Messina had injured the lemons and would greatly decrease importations.

#### **Importers Could Then Fix the Price.**

Mr. President, a cent a pound is not a sufficient duty on lemons; and if the duty is not increased, the lemon growers of California will have to go out of business or, at least, they will not be able to market their fruit any farther east than the Missouri River; and the result of the California growers not being able to go farther east than this, and leaving the foreign importers in possession of the New York market, will be to fix the price on lemons in Nebraska, Kansas, Indiana, and other Western States at the New York price, which will be from one to four dollars a box more than it is at present. The people of this country need have no fear of the increase in this Tariff, amounting to about 36 cents a box, but what they must fear is an advance in the price of lemons of one to four and possibly as much as five to six dollars a box.

There is no reason why California, on account of her soil and her climatic conditions, can not produce all the lemons that we use in this country, and more. The only reason that we do not produce more lemons is that when we reach the New York market the competition there is so keen at times that we can not compete with the Mediterranean lemon.

### *Ten Thousand Growers Interested.*

Mr. PERKINS. If my colleague will permit me, I will state that, as a member of the California State Board of Trade, we ascertained that at present we have 9,000 to 10,000 individual orange and citrus fruit growers. There are about 100,000 acres under cultivation, and we have lands in California extending from Red Bluff, in Tehama County, to the Imperial Valley, in San Diego County, and the foothills of the Sierra Nevadas, well adapted to the culture of citrus fruits of all kinds. This same argument was used twelve years ago, when we put the duty on oranges. The result of that duty is that to-day we are supplying oranges cheaper than they have ever been sold before in the country, and of a much better quality. So it will be with lemons, if we can have this Protection. It not only provides Protection, but, I will say to my colleague, it is a revenue measure, which ought to be supported by every Member of Congress. Under the present law this duty brought in last year \$2,309,035, and under the proposed increase in the duty it will make an increase in the revenue of \$769,000, in round figures.

### *Protection Will Keep Down Prices.*

Mr. FLINT. If we eliminated the California fruit grower from the New York market, we would be in this position: First, there would be a combination in the Mediterranean to maintain prices all over the world, as they would have no opposition if the California grower was eliminated; and then there would be a combination of the importers in the city of New York, and the price of lemons throughout this country would be just what those importers desired to make it.

The question that the Senate has to solve is whether lemons shall sell for two or three dollars a box or eight or nine dollars a box; and I ask the Senators whether they believe that the price would be lower in this country with the California producer in competition with the foreign producer, or with the California producer eliminated and the country left to a combination of the producers in Italy and a combination of the foreign importers in New York?

There can be no such thing as a

combination among the fruit growers of California. While about 60 per cent of the fruit is shipped by a corporative fruit organization, the remaining 40 per cent comes in direct competition with this fruit grower's association and all of it comes into competition with the fruit importers; so that we have to-day as strong a competition on lemons as it is possible to have. Now, the question is, Is it necessary for the California fruit growers to have an increase in Tariff to enable them to continue in the business, or is the present duty sufficient? I ask to print a statement showing the cost of California fruit delivered in the Eastern market to be \$2.32 a box.

The points I desire to call to the particular attention of the Senate are: Should we allow this industry to be destroyed by foreign importations, and, if the industry is destroyed, will it not result in an increase in the price of lemons in this country?

We have imported during the last ten years 1,679,669,265 pounds of lemons, with an approximate net profit to a small group of importers of \$16,796,692, which sum would buy the 16,000 acres of lemon groves in California which 5,000 men have worked twenty years to produce.

### *What Is Needed to Save the Industry.*

There are comparatively very few articles in this Tariff list produced by the farmer, the very existence of which depends upon Protection. In fact, the farmer perhaps receives less benefit from a Protective Tariff than any other class of our citizens. The manufacturing industries of the country have a very large number of articles in this bill which will be adequately Protected against foreign competition, and in the past great industries have been built up solely because of the encouragement given them by the Protective policy. But there is not an article in the entire Tariff list where the benefits of a Protective Tariff are as well illustrated as in the case of the citrus-fruit industry in the United States. The only trouble is, we have not gone far enough. We have remedied the unsatisfactory condition that has heretofore existed with respect to the orange industry, but the conditions affecting oranges and lemons, as has

been pointed out, are different, and we must give further Protection to the lemon growers if we are to save this industry from destruction and put it on a profitable basis, as we have done with the orange industry.

### **The Cotton Schedule the Subject of a Torrent of Misinformation and Misrepresentation.**

*From the Congressional Record of June 7, 1909.*

NELSON W. ALDRICH, of Rhode Island. Mr. President, it is my purpose this evening to state as clearly and as briefly as I may the character and the scope of the amendments which the Committee on Finance have recommended to the cotton-cloth schedule, and to correct any misapprehension which may have been created by a torrent of misinformation and misrepresentation.

The amendments which have been suggested apply to but a very small portion of the cotton schedule. One listening to this debate would have supposed that these amendments apply to almost the entire schedule, and that three-quarters of the rates which are fixed in the Dingley law have been increased by the suggested changes. As a matter of fact, these amendments apply to not more than 10 per cent of the cotton schedule. Ninety per cent of the rates which were fixed by the Dingley law and by the House are absolutely unaffected by the bill as reported from the Finance Committee; the exceptions are the rates on certain classes of cotton yarns, which are reduced below the existing law, and certain amendments which have been submitted from the committee to reduce the rates below those fixed by the House. Some of the latter are quite important in their character.

### *Ninety Per Cent Are the Rates of the Dingley Law.*

Mr. President, when I say that 90 per cent of the rates fixed in the bill as it is now before the Senate are the rates of the Dingley law I can also say that they are largely the rates fixed in the Wilson-Gorman law. With the exception of a few changes in the finer classes of manufactures and

upon laces, the rates of the Dingley act are identical with the act of 1894, which passed the Senate by the unanimous vote of every Democratic Senator.

The suggested changes apply to a very small proportion of the cotton cloths and cotton manufactures covered by the cotton schedule and the cloths that are covered by the specific rates now imposed include almost all the cloths that the mass of the people of the United States are interested in or which are in common use. The cloths that are valued above the maximum specific rates established are all of them in a sense articles of luxury entitled by the understood doctrines alike of Tariff reformers and Protectionists to high rates of duty for revenue purposes.

If any Senator has an idea that the changes which the committee suggests affect the cost or the Protection of the great mass of cotton cloths that are used and sold and imported into the United States he is mistaken, because the amendments, as I have shown, only apply to a very small portion.

### *Importers the Only Ones to Protest Against Changes.*

It may be profitable to inquire who the people are that are demanding that these changes from ad valorem rates to specifics shall not be made. Who are demanding that the doors of the Treasury shall be left open for these intrusions? In whose behalf are they acting? Have the plain people of the United States shown any interest in this matter? Has any part of any community anywhere suggested to the Senate that these rates would be too high? Have the representatives of organized or unorganized labor been heard in this Chamber in protest against the change suggested in these paragraphs? Have the great consuming people, who buy cotton cloths, appeared here with reference to this matter? There never was a time in the history of this country when the cotton clothing of the people could be purchased at so low a price as it can be to-day, notwithstanding the increase in the price of cotton. No one has appeared here to protest against any change in the rates except the importers.

My mail has been deluged with suggestions of all kinds, some valuable and some otherwise. I think I will read from one of them, for the information of the Senate, one received from the gentlemen who are here asking us to forbear from taking away from them the advantages which they have received under decisions such as that to which I have alluded, by which their profits have been duplicated. I should like to call the attention of the Senate to this statement of a publicity committee that had its headquarters in this city and to allude to the instructions issued with reference to these paragraphs. It is dated May 20, 1909. I will only read a portion:

***Pressure Brought by Importers and Merchants.***

The fate of the cotton goods schedule of the Aldrich Tariff bill hangs in the balance.

To defeat this bill it is imperatively necessary that the Senate and the House immediately be made aware that the American merchant and the American public do not want and will not stand for any increase on cotton goods.

Please do your part by immediately writing to your Senators and your Representative protesting against any raise on cotton goods.

Interest your customers; start petitions in your store. It will benefit you to show your customers that you are interested in their welfare. You could not have a better advertisement. For example, see the appreciation of the women of Chicago when Marshall Field & Co. made an open fight against a raise on hosiery and gloves.

Congress heeded this protest, and it would heed it on cotton goods. But if they think American merchants are indifferent the mill influence may pass this bill.

Please do your duty by writing to Washington at once.

Mr. President, these are the people who are demanding that these rates shall not be increased and that there shall be a continuance of this bounty, which either the indifference of Congress or the decisions of the court or other tribunals have placed gratuitously in the pockets of these gentlemen. Has any man in the Senate heard from any consumer upon this subject? Has any person engaged in any useful occupation in the United States; has any man who is earning his living by the sweat of his brow, in the length and breadth of this country, suggested to any of you that this change from ad valorem to specifics should not be

made? I think not. No, Senators, this is simply a part of an organized effort to place more money in the pockets of these gentlemen and to break down the barriers which have been erected to protect the American markets for the benefit of the wage-earners and producers of the country.

***American Cotton Manufacturers Entitled to Fair Play.***

Manufactures of cotton are taking the place of silk and of wool all over the world. Is it the desire of the Senate that in these articles, these finer manufactures of cotton which are pure luxuries, the American market shall be preserved for the gentlemen whose circulars I have read from, or that the markets of the United States shall be given to the cotton manufacturers of this country? I expect before I get through to allude to where those manufacturers are located. But wherever they are located and wherever they are, they are entitled to the Protection which other American manufacturers have. They are entitled to fair play in the American market. So far as I am concerned, I propose that they shall have it; and I do not propose to be persuaded by statements like that which I have read from doing what I believe to be my duty to the people who are engaged in this manufacture.

***The South's Vital Need of Protection.***

Mr. President, it is not for me to say what the position of the Southern Senators shall be upon this question, which so vitally interests their constituents, but I say to those Senators that the stake of the South in this question is vastly greater than that of the North. To-day they have practically one-half of the cotton manufacturing of the United States. When the next Tariff bill is constructed (and I am willing to stake my reputation as an intelligent man and as a prophet upon that statement) they will have more than three-quarters of the entire cotton manufacturing of this country. It is inevitable. What industry is there in the South that can take the place of the manufacture of cotton? You have been an agricultural people, a great agricultural people, the greatest in the world, considering the value

of your product, but you have not developed manufactures.

It is true that in northern Alabama and in eastern Tennessee and northwestern Georgia you have developed the iron industry, not very much in comparison with the North, but still an important development. What other industry, I ask you, gentlemen, is there that can so use the surplus population of the South as the manufacture of cotton?

You have in Louisiana and Texas sugar and rice and cattle; you have agricultural products; but where in all the list of the manufactured products is there one that so appeals to southern interests and to southern people as this? You have abundant water power, intelligent labor, and a grateful climate. I have already shown that it is the most important industry in South Carolina outside of the raising of cotton, outside of the agricultural products. It is the most important industry possibly, except lumber—I am not sure about that—in North Carolina outside of the raising of cotton. It is the most important purely manufacturing industry in all those States.

#### *An Appeal to Southern Democrats.*

Now, what is it we propose? We propose to pass a Protective Tariff bill, probably not by your votes; and we are tendering you fair treatment in this great industry. We are saying to you that we propose to protect it from assaults within or without against every comer. I appeal to you gentlemen to join us in the adoption of these safeguards against injury to your own great industry. You have sometimes thought that the Republican party or its representatives here or elsewhere were not friendly to the South. I hope that all of you will agree that I have never, by act or word, shown that I was not as much interested in the development of Southern industries and in Southern prosperity as I am in the prosperity of the section from which I come.

I make this appeal to you directly, not that you shall vote for this bill; I do not expect that; but I ask you to encourage your own people by your votes upon this schedule. The time will come, not while I am in the Senate, as the Senator from Georgia [Mr.

Bacon] suggested the other day, but the time will come when the South in Tariff legislation will stand shoulder to shoulder with every other section of the United States in the defense and development of the industries of this great country.

Gentlemen, these are not idle words on my part. I know from my knowledge of the business that the time is almost here when this industry will be not only the most important industry of your section, but that it will be vastly more important to you than it will be to us who have been engaged in it for a century or more.

#### *Would Be a Serious Blow to the Workmen.*

I am here to-day representing a State which has a considerable amount of cotton manufacturing in its midst. Many of the best men in our State are engaged in conducting these enterprises. The capital involved might be wiped out in an instant without impoverishing the State, but any injury to the industry would be a serious blow to the workmen in our community who are engaged in the occupation, and this blow I intend to use every effort at my command to prevent. I am not here pleading for the manufacturers of New England. I am pleading for the perpetuation and the preservation of an industry which should have a part in this great industrial development of the United States. It is an industry which we are impelled to protect and to defend by the interests of the whole people. I am also impelled to protect it and defend it because I believe that a section which has heretofore prospered only in certain lines can diversify her interests successfully by the imposition of Protective duties upon the products of this great industry.

The South had in the earlier, I will not say in the better, days of the Republic great Protectionists in many of her States. You had great men, both Whigs and Democrats. You had Henry Clay and a galaxy of brilliant men who believed fully in the great policy to which we are committed.

If you can not join us in passing a bill which will protect all the people of the United States, I ask you, in the interest of your own people and of

your own industries, to join us in Protecting these against assaults of the character which I have described to-night.

### An Appeal in Behalf of the Merchants of New York.

*From the Congressional Record of June 7, 1909.*

JONATHAN P. DOLLIVER, of Iowa. Mr. President, I have heard from my constituents, not alone the good people of Iowa, for whom I try to speak here, but from the people of every State in the Union, and of every city of importance, from all trades, conditions, occupations, and business enterprises of the community, letters that I would print except for the fact that many of them contain matter that might not be becoming to a man of my general timidity of character. What is the substance of the protest which I have in my hand, and the names attached to which I have read? It is very short:

We, the undersigned wholesale merchants of this city, strongly voice our protest against any increase in the Tariff on cotton goods.

As we understand the matter there was no expectation on the part of the consumer or the electorate that a revision of the Tariff by the party of Protection would entail the radical increase which must take place if the Senate bill as reported becomes law.

Now, what were these merchants of New York talking about? They were talking about the amendments to this bill. I am now going to say a word in defense of the merchants of the United States. I have known a great many of them, and, so far as my knowledge goes, they constitute a most useful, enterprising, and worthy part of the population in each community in the United States. I confess that it made me not only mad, but sore at heart to find leaders of the Republican party reproaching the whole mercantile community with all the excesses and extravagances that have grown up in our market place.

#### *The Importer a Valuable Witness.*

There is one thing about an importer that makes him a very valuable

witness in a case like this. He is the gentleman who goes down into his pocket and pays these duties, and, as the Senator from Rhode Island says, he is always a rather smart man and is usually so prosperous that he surrounds himself with very shrewd men; and therefore it looks to me as if one of these people who is likely to be called upon to pay these duties would be a fairly good witness as to the question whether the duties are going to be more or less than they are now. Does not that sound reasonable? Very well.

I want to say another thing; I have now the mercantile community, all experts in this business, claiming that these rates have been raised.

I have the manufacturers, experts in promoting this legislation, admitting they have been raised. I have the Senator from Utah, unconsciously allowing the cat to escape from the bag by reading to the Senate language to which he has not accustomed his sight, and the Senator from Massachusetts prematurely confiding to his constituents early notice of the "enormous value" of what had happened to them in the bill reported from the Finance Committee.

#### *All Say the Duties Have Been Raised.*

So, we have here five witnesses—the merchant, who studies these questions; the man who knows more about it than all of us. He says the duties have been raised; the promoting manufacturers; they say the duties have been raised; the Senator from Utah [Mr. Smoot], who unconsciously admits that they have been equalized—the low rates up to the level of the high ones; the Senator from Massachusetts [Mr. Lodge]; the statistics of the Government of the United States, verified for the Senator from Wisconsin by the Department of Commerce and Labor; and the goods themselves introduced into this country through the customs-house, with our own officials applying the act of 1897 to them, and the act of 1909, as the Senator proposes to make it; and they make their memorandum on the actual merchandise.

#### *A Reason for Leaving the Tariff Alone.*

Mr. President, every department of the cotton industry has flourished un-



interruptedly since 1897; and I rejoice in it. Every workingman has retained his employment; every working woman and every working girl has retained her wages, which have steadily advanced. They sailed through the panic with hardly a ripple in that great industry. To-day, or within the last few months, as was shown by the Boston Advertiser the other day, they are enlarging their works in all the cities of New England, counting on the Dingley Tariff law being maintained.

No voice was raised in any quarter of the cotton trade asking that these things be done. The very men who came here representing the industry not only declared that they wanted no changes in the law made, but they made no reference to these decisions of the courts except to say that those decisions had settled the law and made it plain, and they gave that as a reason for leaving it alone, which the committee has used as a reason for changing it.

#### *Trying To Preserve the Tariff Laws.*

Now, Mr. President, a few general remarks and I will not further disturb the convenience of the Senate. I read a good deal in the newspapers and every now and then I hear of somebody who thinks that I am trying to tear down the Tariff laws of the United States. I do not intend to spend a great deal of time explaining what I am trying to do; but I do not mind stating it once for all. I am trying to preserve the Tariff laws of the United States. I am trying to put them in such a position that the American public opinion will be friendly to them, North and South. It has grieved me more than anything in my public life that I have felt it my duty to protest against this unwarranted repeal of the Dingley cotton schedules. There is no industry in America that I have studied with the interest that I have the cotton business. It is the most ancient occupation of man after he reached the stage of industrial skill. In the museums of the world, coeval with the most ancient civilization, are fabrics of cotton woven oftentimes by the rude machinery of other ages. There is no such crown upon the industrial life of America as the building up of the cotton and other textile industries here.

#### *A Wound Inflicted Upon the Protective Tariff System.*

I have tried in an humble way to try to help build them up. The people whom I represent are without prejudice against them. They are full of sympathy for them. They do not even complain that they have been prosperous, that men have grown rich who have put their capital and invested their labor in these enterprises. For a hundred years the cotton schedules in American Tariffs have been without an enemy in either party of the United States. No such wound has ever been inflicted upon the Protective-Tariff system, as to drag this schedule without an enemy in the world into the midst of this controversy and fill the Congressional Record with misleading statistics and irrelevant suggestions in respect to what has been done by the Senate committee. If it be true, as the Senator from Rhode Island says, that nothing has been done, if things are left as they are, if the rates are not raised, if no intention has been in their minds to disturb them, I appeal to Senators on both sides of the House to let them stand exactly where old Governor Dingley left them; to let them stand exactly as the courts of the United States have interpreted them. I ask my associates not to do what is the wish of the committee or the importers or the manufacturers, but to do what is suggested by every motive of reason and good sense. When you are not doing anything that amounts to anything, when you are not raising rates, when you are not disturbing them, when you spend a week showing that the changes suggested are of no importance to the public or anybody else, in the name of all that is reasonable let us let them alone; let me go to the people where I live and tell them that we left the Dingley Tariff law undisturbed.

Do not send Members of Congress out to say that no changes have been made, when every schoolboy in every district will know that

*A Statement Like That Can Not Be True,* and that that man is incompetent for the discharge of the business which he seeks to do for the people of the United States. If no changes have been made, let us put away his appear-

ance of change and leave these rates absolutely as they are. All these industries have flourished under them, great cities have been builded, great communities have been enriched. I do not envy them, from my little farm out in Iowa, any of their prosperity. I want to see all sections of the country share it, South as well as North, East as well as West. I want them all to participate in it. But I say to you gentlemen, you can not do a thing so harmful to the Protective system, so injurious to this industry, as to make it the storm center of an agitation which will not cease when you have incorporated these amendments in the bill, notwithstanding the showing of facts that has been made on the floor of the Senate.

### Solicitude for the Consumer Caused the Demand for Tariff Revision Downward.

*From the Congressional Record of June 7, 1909.*

ALBERT J. BEVERIDGE, of Indiana. The Senator said I certainly had not listened to his words the other night. I listened with the keenest attention to his passionate appeal—and it was a passionate appeal, and one which was eloquent—but I also observed that in that appeal he said that these common cotton cloths were made in the South; that they were exported to the Orient, and that it made a market for them now, but that the Orient was itself going to come into competition with them some time or other. Therefore he appealed to the South against the coming danger. I did not want to interrupt the Senator at that moment, or I would have asked him whether in this bill there is a single provision increasing the duties on these kinds of goods because, as you have said, of that coming invasion. I listened to the Senator's statement. But he was bound, as a matter of logic, to propose an increase of duties to preserve the South from that peril, yet he makes no increase in such goods.

#### *Danger of Oriental Competition.*

Mr. ALDRICH. The Senator could not have listened to me, but if he did, he heard me say that in my judgment—and I desire to reiterate the state-

ment—the competition which this country will receive from Japan and from Japanese manufacturers will be along the lines of these very articles. Such are the artistic tastes of the Japanese in all matters pertaining to decoration and articles of decoration in the use of colors that they have exceeded all the nations of the Orient. They are now competing in crockery in China, and in various other articles along the same line of these finely decorated colored cotton cloths. I said, or meant to say, and I think if the Senator will read my remarks he will find I did say that competition from the Orient will be exactly along the line of the amendment which the committee suggested to this House provision with regard to mercerization.

Mr. BEVERIDGE. Mr. President, it is thus sought to impress us that the increases, if at all, will be so negligible to the consumer that it is not worth while taking them into consideration in connection with the vast benefit to business that is to accrue. That is true, is it not?

#### *Anxiety for the Consumer.*

But, Mr. President, that is not only where the injustice comes in—which is the chief thing—but there is where the economic error comes in which is possibly even a more important thing, practically speaking. If 3 cents on a shirt, if 10 cents on a dress, if 5 cents on a pair of shoes in a family of 7 children, and of 25 cents upon a bucket of paint; if all these little increases, which occur to us to-day as absurd, are added together, what does that mean to the consumer; not a consumer, mind you, who is able to pay, but a consumer whose average wage is what is demonstrated to be the average earnings of a common laboring man in the United States, less, I believe, than \$600—between five and six hundred dollars? To that man, with a family of 4 or 5 children and a wife, a few cents on shoes, an amount that would make us here to-day sneer, when he has got to supply those children with shoes to go to school, and 10 cents on a dress, which we think negligible, and 3 cents on a shirt, and 25 cents on a bucket of paint, thus running down the whole list of life's necessities, makes to him, with his

small earning power, a burden grievous to be borne.

Mr. GALLINGER. This bill reduces the duty on shoes.

Mr. BEVERIDGE. I hope that good example will be followed elsewhere. If you are going to make a man's footwears lighter, why not make the burdens that are on his back lighter also?

#### *What Raised the Storm for Tariff Revision.*

Mr. President, the remark of the Senator from North Dakota in showing that, after all, even if there was an increased duty, it would not affect the consumer very much, made me feel that it was necessary to point out and to bring home to each one of us or to make us conscious of it at least—for I am sure it was brought home to us the moment that it was made—that it is no argument to say that the increase is small, that it appears to us to be negligible in affecting the price to the consumer, because the sum total of it, when measured, not by our earning power, but by the earning power of the men who buy the shoes and shirts and dresses and food and paints and everything else, becomes finally a burden, the bearing of which raised the very storm for Tariff revision, which wrote it into our platform, and finally voiced itself through the utterances of the man best equipped and authorized to interpret it.

#### *The Influence and the Dangers of Association.*

Mr. ALDRICH. Mr. President, the influence and the dangers of association are well illustrated in the speech which has just been concluded. I have heard remarks of that kind before, rarely from Republicans, never from Protectionists. The Senator has been voting with reference to these matters with men who believe that Protective duties are added to the cost of all domestic articles produced in the United States.

Mr. BEVERIDGE. Did those same men believe that when they voted with the Senator for Protective duties on certain articles?

Mr. ALDRICH. No; I think that on those particular occasions they were acting as Protectionists.

Mr. BEVERIDGE. Then, are they voting with me or am I voting with them?

Mr. ALDRICH. The Senator must be voting with them. The other side furnishes all the privates, and this side furnishes the brigadiers in this movement, as near as I can understand.

Mr. BAILEY. They think they are the brigadiers.

#### *Worthy of a Free-Trader Or a Tariff Reformer.*

Mr. ALDRICH. Yes; they are under the impression that they are the brigadiers.

The Senator's speech could have been made with great effect by any Free-Trader or Tariff reformer in the United States. He could express his views in the precise language that the Senator has expressed his; that all of these duties are added to the cost of the consumer in this country; and he is only finding fault with us apparently because we have increased the cost to the consumer a small amount. The application of the doctrine, to his mind, seems as clear as it does to Senators who sit upon the other side of the Chamber, and who have no hesitancy in expressing their views as Tariff reformers that the whole Protective system ought to be pulled down and destroyed.

The Senator makes another statement which on its face appears to be fair enough. He says that in listening to the statements of importers and manufacturers we should consider that they are both interested parties and that we should give equal credence to both in considering the Tariff bill. But to my mind there is a distinction as wide as the poles between the people who appear here to serve their own interest, which are against American interests, and the people who appear here and whose interests coincide with American interests. Speaking for myself, I do not intend to apply any rigid rule of judicial construction in the treatment of the statement of these two classes of men. We are not bound as Senators in the construction of a Tariff act to say that the statement of an importer, as to the effect of our legislation upon American interests, shall have the same

weight and the same control over our acts as that of a man who has no interest at all except one along the line of American development and American prosperity.

***Both Importers and Manufacturers Are Honorable Men.***

Mr. BEVERIDGE. Mr. President, my few remarks with respect to the rule of credibility of testimony were brought out by the statement of that rule last made by the Senator from Rhode Island, as I have said, which is the first time he has stated the rule fairly or that it had been fairly stated; and I was so glad of it that I thought it necessary to point out the equal applications of that rule which ought to be applied to manufacturers as well as to importers. Both are honorable men. Both have fought for their country. It does not affect a man's honor that he is importer or manufacturer. It does not affect the weight of his testimony—the interest he has in giving it. Therefore when the rule is applied to importers, it should also apply to the manufacturers.

Then there is the statement of the collateral rule—that where a man testifies against his interest it has double weight, and I pointed out Mr. Lippitt. The answer—I did not expect any—that the Senator gave to that was that those remarks showed the effect of association. That is no answer.

The only thing important about them is whether they are true or not.

***When Duties Cease to Be Protection and Become Extortion.***

Mr. SUTHERLAND. The Senator, as I understand, proposes, by a reduction of the duties, to save to the American consumer the various amounts which he has stated?

Mr. BEVERIDGE. Not at all; by preventing the increase of duties. That is the way this debate arose.

Mr. SUTHERLAND. The Senator also proposes to reduce the duties, as I understood his speech the other day.

Mr. BEVERIDGE. Wherever they are a cent beyond what is needed for safe Protection—and I will go with the Senator any distance for safe Protection—they ought to be reduced. They then cease to be Protection and become

extortion. Justice first and expediency afterwards.

Mr. SUTHERLAND. The Senator proposes to save the consumer 3 cents on a shirt and 5 cents on a pair of shoes and a few cents on some other articles.

Mr. BEVERIDGE. On all articles raised to a point of extortion.

Mr. SUTHERLAND. Does he think it would be a wise thing, if his conclusion is correct, to reduce the duties in such a way as to save the labor \$20 or \$25 a year upon the price of these various commodities and lose him \$50 on the scale of his wages?

Mr. BEVERIDGE. By no manner of means, and no person stated with more earnestness than I, not only on this floor, but wherever I have had the honor to be permitted to speak upon this question, that duties ought not to be reduced at all, they ought to be increased, they ought to be reduced, they ought to be kept as they are, so as to afford proper Protection, honest Protection, and no more. The point is that under the guise of affording

***Such Protection as We All Believe In***

and no person more earnestly than the revisionists upon this side—there are instances, as it appears to some of us upon the evidence submitted, where it is more than Protection. I ask the Senator this question. He is a Protectionist, as I am; both equally good. Would he be in favor of a duty that gave more than necessary Protection? I remember his illustration from the trout brook and rubber boots the other day.

Mr. SUTHERLAND. The Senator says he is as good a Protectionist as I am. I beg leave to differ with him about that.

Mr. BEVERIDGE. Then, I will say, I am a more reasonable Protectionist than the Senator.

Mr. SUTHERLAND. I think I am rather a better Protectionist than the Senator has come to be in his latter days.

Mr. BAILEY. One has to be "good" before the other can be "better."

Mr. SUTHERLAND. I am very much afraid the Senator is ceasing to be a good Protectionist.

Mr. BEVERIDGE. We will discuss that at some length if it comes up in this debate.

*Give the American Producer the Benefit of the Doubt.*

Mr. SUTHERLAND. I will say, however, in answer to the Senator from Indiana, that I do not believe in increasing duties beyond the measure of Protection. But, as I said the other day, I do believe, when I am in doubt about it, in giving the American producer the benefit of the doubt; and if I am to err upon either side, I would rather have the duties a little too high than a little too low.

Mr. BEVERIDGE. I go that far with the Senator. I thought the illustration about the trout stream a good one, but because he thought the boots should be an inch higher and the water came up to his knees, would he insist upon an entire rubber suit?

Mr. GALLINGER. Yes.

Mr. BEVERIDGE. If we make the rates not only amply sufficient to cover the difference in the cost of production at home and aboard, but to afford a profit to the manufacturer—to allow for those three elements—does the Senator also agree with me, as I agreed with him on the other proposition, that the excess beyond the Protective point may be added to the price?

Mr. GALLINGER. I am not so clear about that part, but I agree with the Senator that we ought not, as a rule, to make the rate so high as he has pictured.

Mr. BEVERIDGE. Very well. That is the whole question here. When Senators, whom the Senator will be the first to admit are earnest and sincere in their opinion, think upon the evidence that the rate is higher than that which the Senator himself says he would go, then they are not to be called "Free-Traders," because they think that an eighth of 1 per cent or 2 or 3 per cent which has been added is not Protection, but amounts, as we both agree it might amount, to extortion. If I wanted to be unkind I could make a dividing line

*Between Free-Traders and Extortionists,* and when men talk about our being divided into Protectionists and Free-Traders, I could say, "no, not between Protectionists and Protectionists and Free-Traders, but extortionists." But I am

not unkind. I do not think that ever adds anything to the discussion.

Mr. GALLINGER. I concede to the Senator, as I concede to every other Senator, whatever his political convictions may be or his views on the question of the Tariff may be, the right to hold to his views as strenuously as I do to mine. If the Senator believes these rates are higher than the provisions of the Republican platform warrant, certainly the Senator has the right to resist them.

Mr. BEVERIDGE. That is good. I thank you, sir.

Mr. GALLINGER. I do not think they are, and so I vote for them.

*Coming to a Parting of the Ways.*

Mr. FLINT. I simply desired to call the attention of the Senator from Indiana to the fact that we seem to have reached the point where we are coming to a parting of the ways.

Mr. BEVERIDGE. I hope not.

Mr. FLINT. There appears to be a majority on this side in favor of the old doctrine of a Protective Tariff for American industries, and there seem to be others on this side who have abandoned that and have gone over with those who believe in a Tariff for revenue only, or at least not for a Protective Tariff sufficient, as the committee believes, to protect the industries of this country.

Mr. BEVERIDGE. Oh, now, Mr. President, I am satisfied my friend will regret those remarks in a cooler moment. I do not think the Senator or anybody else or any other power is going to compel us to come to a parting of the ways when we both believe sincerely in the principle of Protection. But I say this—and I think the Senator from California in his heart agrees with me—that the real safety of the policy of Protection and its real defenders are those of us who will vote and work and fight to keep out of a single item what appears to us upon the face of the evidence to be 1 cent more than Protection, because it has been conceded here this morning by your associates that 1 cent more than Protection is just 1 cent of extortion.

*Is Protection to Be Saved by Joining with Its Enemies?*

Mr. ALDRICH. As I understand the

attitude of the Senator from Indiana, it is that the principle of Protection is to be saved by some Members of the Senate joining with the well-known and understood opponents and enemies of that system to help pull it down. My ideas of saving a principle do not follow these lines.

Mr. BEVERIDGE. Mr. President, the Senator has made that remark three times, and in it there is no argument, and it comes very nearly not being pleasant, because I have not referred, except once or twice in a jocular way, to the Members on the other side who saw fit to vote against their comrades on that side and for what the Senator from Rhode Island [Mr. Aldrich] thought was a Protective duty and what they thought was a revenue duty. Mr. President, that kind of argument is too old, and if I did not have the affection that he knows I have for the Senator I would say that it is too cheap.

Mr. ELKINS. Will the Senator allow me? I want to ask the Senator a question, in view of the fact that the Republican platform adopted at the last national convention, which I regard as the strongest Protection platform ever written, declares not only for the difference between the cost of labor in this country and abroad, but it goes further and declares in addition that there shall be a reasonable profit. There never was such a platform so pronounced in favor of Protection adopted by any political party in this country.

Mr. BEVERIDGE. The Senator from West Virginia does not need to take up my time, because we have gone all over that while the Senator was out at lunch.

Mr. ELKINS. The Senator from Indiana did not allow me to finish my question, which I will do now. The platform declaring in definite and positive terms that the duty shall not only cover the difference in the cost of labor here and abroad, but shall allow for a reasonable profit to the American producer, all this is in favor of Protection and American industry. Now, if this should add slightly to the cost of the article to the consumer, is it not better for our people and the country generally, because in manufacturing our own products we give em-

ployment to our people, keep at home the money we would pay for the foreign product, and build up home industries.

#### *A Matter of Great Congratulation.*

Mr. ALDRICH. The Senator from Indiana is aware, I presume, as well as the Senator from Georgia, that those of us who have the responsibility of this legislation are voting together because we are loyal Republicans, because we believe in the doctrine of Protection, and we believe in its application to every interest and to every section alike. I think it is a matter of great congratulation to the people of the United States that there are a majority of Republicans and Protectionists in this body who will control this legislation.

Mr. BEVERIDGE. I will ask the Senator if he thinks there is any one of the schedules over which we have fought hardest that had a chance of passing this body if it stood on its own feet and was not combined with the interest of other Senators and other schedules? What does he think about it?

Mr. ALDRICH. The Senator has talked about defeat—

Mr. BEVERIDGE. Defeat? Not ours. I have talked about the British.

#### *Shall the Republican Majority Be Defeated by Republican Votes?*

Mr. ALDRICH. The Senator has talked about the defeat of the will of the majority of the Senate sitting upon this side of the Senate. By whom shall that defeat be consummated? By Republican votes? No. How many are there of the Republicans who are willing to destroy or to break down this system? By whose votes does the Senator from Indiana expect to defeat the Republicans in this body if they are defeated? That is the proposition that he is discussing. If this initial engagement is to be followed by the final defeat of the Republican party, who is to defeat it? Where are the votes to come from? Who is to marshal these combined forces? What is to be the character of the new doctrine that these apostles are to preach to us? Is it to be the platform of the Democratic party, or is it to be the platform of a new party, with three presidential candidates in sight?

How does the Senator expect to consummate this union, this unholy alliance, for the purpose of breaking down the principles and policies of the party which stands for American interests? I have respect for the Senators who sit upon the other side of the Chamber. I have respect for some of the Senators sitting upon this side of the Chamber—and I have two of them in my view at this moment—who have been in the past, and who are now consistent Tariff reformers, who believe that the rates of duty are too high and have always believed it and have always said it. But we are confronted now with a new evangel, with a new doctrine that threatens to destroy us all, destroy us by Democratic votes, with an army who have no sympathy whatever with his movement or his leadership.

### *Which Is the Better Republican of the Two?*

Mr. BEVERIDGE. Whose fault is that? The Senator from Rhode Island shakes his head—yet he has taken about as much time as anybody, and given practically all the provocation.

Now, about our party. It is just as much the party of the Senator from Iowa and the Senator from Indiana as it is of the Senator from Rhode Island, although he seems not to recognize that fact. If the Senator wants it to go out to the country as to which is the better Republican of the two, himself or myself, if he wants to draw between the Senators upon this side invidious comparisons, he can do so, and I think we will all be willing to take the country's judgment upon that question. But I know, we all know, that the purpose the Senator has advanced is merely strategical and is to consolidate the ranks that he has thus far brought together. I wonder if he has misgivings that he can much longer hold them together.

### *A New Doctrine?*

The Senator says that ours is a new doctrine. He is the only Senator upon this or any other side who has yet appeared to say that it is a new doctrine. The Senator from New Hampshire [Mr. Gallinger], as he told the Senator, almost as earnest a Protectionist as he, was able to agree with

me upon what doctrine it was, but what we contend against is a perversion of that doctrine. If, in the end, we have any success in getting these reductions, it will not be by the aid of our Democratic friends, who when divided much have never voted with us in large and in such numbers as they have with the Senator from Rhode Island [Mr. Aldrich]; but more reductions will come by the efforts of Republicans on this floor and Republicans in the House and elsewhere in the usual process of legislation. That is what I hope to see, and it is a reasonable hope.

### **Has Made No Combination with Anybody.**

*From the Congressional Record of June 7, 1909.*

JONATHAN P. DOLLIVER, of Iowa. Mr. President, a question has been raised here as to those of us who are not always able to agree with and support what the Finance Committee presents, and such a challenge by the leader of the Republican side of this Chamber requires even that the humblest man here, who is not always able to agree with him, should not permit the pressure of time to excuse him from stating exactly what he represents.

I have made no combination in this Tariff controversy with anybody on either side of the Chamber. I have tried to get a just combination with the facts and figures which concern these Tariff schedules. I have sought by conscientious study to find out what these rates ought to be, and wherever I have found in the report of the Finance Committee a rate which appeared to be higher than it ought to be, I have not hesitated to introduce an amendment to reduce it to a reasonable level. It has not hurt my feelings at all that our brethren on the other side of the Chamber have so often concurred in these amendments. My theory is that every man stands on this floor face to face with his duty as advised by his individual judgment and information upon the question. I shall seek no votes on either side of this Chamber except by public discussion here, which I have not altogether abstained from as to the details of this

measure. I have not only refused to go about seeking votes, but it has long since ceased to be a part of my expectation to receive enough votes to give effect to the opinions which I have felt called upon to express about some of the schedules of this bill.

*Trying to Represent Nearly 3,000,000 People.*

Yet, Mr. President, it ought not to be said that I do not represent anybody. I am trying to represent nearly 3,000,000 people, whose commission I bear here. I am trying, also, to interpret as best I can the purpose and the promise of the great party to which I have devoted the energy and strength of my whole political life, and I desire to call the attention of those who would narrow and belittle the work I am trying to do here to the fact that I am not without countenance in high circles among those who are now responsible for the administration of the Government under the platform and the purpose of the old Republican party, for on last Saturday night the Secretary of the Treasury, speaking in his home city, used these words:

What the people expect is what the Protectionist Republican party promised in its last year's platform, as interpreted by its candidate for the Presidency, and while it is talking against the wind to argue that the revision expected is not a revision down, it would be equally futile to say that the revision down was promised to be a revision down and out.

Mr. BEVERIDGE. I had heard from certain sources that the term "revision down and out" was to be applied to the revisionists. One little sentence will let the air out of the bubble and that is this: What we have contended for is against an increase of the duties fixed by the House, and not for a decrease.

*Disagreed with Nearly Every Proposition for Increase.*

Mr. DOLLIVER. I have found it very convenient and consistent with my own purpose and view to disagree with nearly every proposition to increase the House rates, although not in all cases. I have already said that I am myself governed by old-fashioned Republican doctrines; and wherever an industry appears to me to need a higher duty than the House gave it, or even a higher duty than the Ding-

ley law gave it, I have not hesitated after careful consideration of the question, to stand by the ancient Republican faith.

The doctrine which I represent here is that we ought to reduce these duties when it can be done without a violation of the principle of Protection as interpreted by the Republican party, and especially as interpreted by the leadership of the Republican party in the administration of which we are ourselves a part.

*He Entertained Exactly the Same Views in 1904.*

Mr. SMITH, of Michigan. I simply want to observe at this point, if I have the privilege of the Senator from Iowa, that the statement attributed to the Secretary of the Treasury last Saturday night, and which he has just read, reveals that distinguished officer of our Government in a marvelously consistent light. He entertained exactly the same views in 1904.

Mr. DOLLIVER. I am prepared for the general disparagement of the Secretary of the Treasury as being wanting in Republicanism—

Mr. SMITH, of Michigan. I am not disparaging him.

Mr. DOLLIVER. Then for what purpose does my friend rise?

Mr. SMITH, of Michigan. Simply to show that he is consistent in his views, and some of us hope to be in ours.

Mr. DOLLIVER. For nearly twenty years the Secretary of the Treasury has been consistent with the views and the interests and the candidates of the Republican party, and he stands now in the closest confidential relation possible with the President of the United States. Is he disqualified to say that the Republican platform, as interpreted by the President, led the public to expect a revision of the Tariff in a downward direction?

*Not Competent to Bind the Republican Party by His Declaration.*

Mr. SMITH, of Michigan. No, Mr. President, I do not consider that he is competent to say it, or at least to bind the Republican party by his declaration. I have no words of criticism to offer upon the public life or the character or the intelligence of the Secre-



tary of the Treasury, but I can not forget that while Benjamin Harrison was upholding the banner of Protection as our party understood it, the present Secretary of the Treasury, if my memory is not at fault, left his party and joined the party of Mr. Cleveland for a downward revision.

Mr. BEVERIDGE. Surely the Senator from Michigan does not object to these hundreds of thousands and millions of recruits to our party, which we have obtained from other parties, especially when they embrace such brilliant and eminent men as the Secretary of the Treasury.

Mr. SMITH, of Michigan. I do not object, but I decline to hand them the banner under which I have marched from young manhood.

Mr. DOLLIVER. By the time the Senator from Michigan proves that the Secretary of the Treasury, by his political record and by his political views, is not a fit associate in public responsibility for the President of the United States, I will get ready to admit that those who sympathize with my views here are not well calculated for harmonious co-operation with the Republican party as represented in this Chamber.

### Would No Sooner Be Bound by the Advice of the Present Secretary of the Treasury Than by the Counsel of Any Other Democrat.

*From the Congressional Record of June 7, 1909.*

WILLIAM ALDEN SMITH, of Michigan. Mr. President, I do not intend to be put in the attitude of criticising either the character or the public service of Secretary MacVeagh. He is an accomplished, able, patriotic, honorable man, and the President of the United States has exercised his usual good judgment of men in this case, and he is responsible only to the American people for his choice. I do not intend to criticise him for the selection of his official family, but I would no sooner be bound by the advice of the present Secretary of the Treasury in my course upon this bill than I would be bound by the counsel of the Secretary of War, or any other Democrat, if he were to give it upon

this bill, able and honorable as he may be.

Mr. President, I had not intended to take any part in this discussion. I do not propose to do so now. The Senator from Indiana gave his illustration of the faulty brick to be taken from the great structure of Protection, and says that should not be regarded as a species of political vandalism.

I do not so regard it, but I call the attention of the Senator from Indiana to the fact that the last revision of a Republican Protective Tariff consisted only in taking a few bricks out of the structure here and there. Unfortunately, however, those

### *Bricks Were Withdrawn by Vandal Hands*

from the Tariff wall, and when the tide came in the whole industrial system of our country was submerged in ruin and disaster and there floated upon the sea of idleness millions of our countrymen, until the bricks were replaced and the wall perfected under the leadership of the great McKinley.

Mr. President, not very many months ago it was my pleasure to pass through the little Kingdom of Holland, a kingdom not highly favored by nature, lower than the sea. The sturdy Dutchman pushed back the sea and planted a garden where the surly Neptune had so lately set his trident. If my information is correct, the sea has not gone over the dikes of Holland for many years, and yet if the Senator from Indiana and my honored friend, the Senator from Iowa, were to approach the Queen of the Netherlands and suggest to her that, inasmuch as the tide had not gone over the dikes for so many years, perhaps they might engage themselves in boring a few holes through it just for the amusement and the delectation of the people, what think you the young queen would say?

### *The Tariff Is Our Industrial Dike.*

She would say to the Senator from Indiana with all his plausibility and eloquence, "Sir, these dikes around Holland are the safety of our people. They sleep better behind them. They pursue their daily vocations with a greater sense of security because the dikes are there;" and I hardly think any eloquent man, no matter how vigorous-

ly he might plead with the Queen of the Netherlands, could get her to take down those traditional bulwarks, for fear that, at some time, in the darkness or the storm, there should come a tide high enough to sweep over the barriers built by the enterprising people of Holland. The Tariff is our industrial dike, behind which the activities of our people thrive and prosper, and we must not impair or destroy it.

Now, sir, I regard the commercial enterprise of our people as sacred in our hands. I would not have foreign-made goods used by the American people if we can produce our necessities at home. I do not favor tempting the American consumer to buy foreign-made goods. I am a firm believer in the use of the handiwork of our own genius. This custom has contributed more to the comfort of our people—their prosperity and happiness—than almost anything that legislation could aid. I am a firm believer in this principle.

***When the Wilson-Gorman Law Was Repealed.***

When I came to Congress the first time the people in my State were almost a unit in favor of the repeal of the Wilson-Gorman law. Our people were then unemployed; millions of them without wages and without food. The soup houses were the permanent boarding place for many of our laborers. They sent me here to help repeal that law, and I cast my vote for the passage of the Dingley law, and received the almost unanimous approval of the people of my district for so doing.

That law had scarcely been enacted before our factories were humming with the rattle of the busy looms, our forges glowed with furnace fires, the ports of our commerce stirred with the pulses of enlarged trade, and improvements in city, town, and county added to the beauty and utility of the land. I am not here to criticize or strike down the system which has brought such prosperity to our people, either piecemeal or otherwise, but I am here to protest against its distribution. Every vote I cast from the beginning to the end of this proceeding shall be cast with the desire to preserve to the American workman the

blessed American privilege which he now enjoys, and I decline to join in any wholesale raid upon it.

***Surplus Wages in the Savings Banks.***

This system has put to the credit of our laboring people more money than they have ever saved before. Our savings banks are the repositories of their surplus wages, and millions upon millions are being stored away for their old age and the dependence of the family, and I decline—

I decline to subscribe to the idea that we should begin cutting this Tariff piecemeal in the interest of our rivals across the sea.

When we passed the Dingley law there was no such commercial product as mercerized cotton cloth. We did not anticipate its manufacture. If, as the Senator from Iowa says, mercerized cloth was caught by the ad valorem of the Dingley law, I think he and I will agree that it was caught by accident rather than by design. But be that as it may, the mercerization of cloth is a great, growing, important industry. It is a fabric so attractive that those who have hitherto used foreign silks will prefer the mercerized goods instead. The Tariff which we seek by this paragraph to supply seems to be what is required to preserve and to support the industry.

***I Do Not Desire Foreign Mercerized Cotton to Be Used by the American People.***

I will not vote to make it easy for them to use it so long as our domestic product can be obtained reasonably, and in so doing shall be consistent with what I believe to be the best interest of our country.

Therefore, Mr. President, without going further or detaining the Senate, I will simply say that those who disagree with me are certainly actuated by the same honorable and worthy motives as myself, and without in the slightest degree impugning their loyalty to our party or their patriotism or their high sense of duty to their countrymen, I accord to them some rights that I take to myself. I am wholly satisfied with this provision and shall cheerfully vote to make the duty specific upon this line of manufactured fabrics.

**"A Certain Kind of Republicanism  
Has Been Calling Me a Democrat  
for the Past Six or Eight Years."**

*From the Congressional Record of June 7,  
1909.*

ALBERT B. CUMMINS, of Iowa. Mr. President, evidently some of my Republican associates have been a little disturbed at the suggestion that they are Democrats. That has long ago ceased to disturb me. A certain kind of Republicanism has been calling me a Democrat for the last six or eight years, and I have become so accustomed to the charge that I can hear it with unruffled composure; and I hope that these friends of mine, who seem to think that the country at large will regard that as a disparagement, will take courage, because there is an intelligence abroad now that weighs the opinions of men and determines the position of men without regard to appellations and without regard to the attempt here or elsewhere to expel men from the Republican party because they are not willing to accept the Republican doctrine as it is expounded by those who are about us.

I do not challenge the Republicanism of my friend the Senator from Michigan [Mr. Smith]. He has been entirely consistent, and I think he will be consistent to the end. He does not believe in reducing duties at any time or under any circumstances. He does not believe in the Chicago platform. He does not believe in the revision of the Tariff that is now in progress. Never at any time did he lift his voice to bring about the revision through which we are now passing. I applaud his consistency. I admire the courage that he manifests in standing here and telling the American people that rather than reduce a single duty in the Dingley law he would lift up the bulwark that surrounds the American market.

***Would Add to the Height of the Tariff  
Wall.***

His illustration, so apt, so pertinent, so accurate of the dike that keeps out the ravages of the sea from that little country abroad, shows precisely what he thinks of the Tariff; and he would year by year add a little to the height of the Tariff wall lest by some mischance, lest by some development, lest

by some growth that we can not anticipate, in an evil moment a drop of water shall spill over this Protection to a defenseless people.

I understand him, and I rather admire him because he has been so persistent and courageous in the effort to destroy the reduction of any of the duties in the Dingley law.

I have no hesitation in saying that while I am a profound believer in the doctrine of Protection, while I will vote to place upon any product of an American mine, factory, shop, farm, a duty that will measure amply—not meagerly, but amply and fully—the difference between the cost of producing that article here and abroad, there is one right held by the American people more sacred than the right of Protection. There is one thing more necessary to preserve our institutions in their full vigor and to preserve the character of our people in its full exaltation than the principle of Protection. There is one thing we must have if America is to accomplish the destiny that we all fondly believe lies before her, and that is a fair and an even chance upon the part of every man, woman, and child in the battle of life. This is the most potent force in the civilization of the present age, and when we look into the commercial world we call this force "competition." That we must have. I want the competition of the United States, if possible, but I want the competition of the world, if necessary.

The consumer—that much-maligned, that much-despised, that supposed mythical man,

***The Consumer Is Better Entitled to Competition Than the Producer Is to Protection.***

And I found my political economy upon that fundamental principle.

It is idle, Senators, to say that men who believe there ought to be a limit to duties are disloyal Republicans. I was very sorry to hear the Senator from Rhode Island say that those who were voting for the report of the committee were loyal Republicans. I have no doubt they are, but I fear that he intended to have it inferred that they are the only loyal Republicans in this Chamber.

Mr. ALDRICH. Oh, no; I did not intend that.

Mr. BEVERIDGE. Just what did the Senator intend?

Mr. ALDRICH. My intention seemed to be perfectly plain. We are here charged with the responsibility of passing this Tariff bill, and the men who vote for it and the men who support its provisions are certainly loyal Republicans. I did not intend to specify anybody else, nor do I now.

*No Man Can Put Him Out of the Republican Party.*

Mr. CUMMINS. I am sure the men who vote for it are loyal Republicans, but I was alarmed lest unthinking people would draw the inference that in the opinion of the Senator from Rhode Island those who differed from the committee were not loyal Republicans. I have myself expended as much time and as much strength for the Republican party as any man of my years in this Chamber. I love its history; I am proud of its leaders; I have sublime faith in the justice of its principles; and as I have had occasion to say more than once, there is no man, I care not how powerful he may be, how influential he may be, who can put me out of the Republican party.

Mr. ALDRICH. I hope the Senator will do me the justice to say that I alluded to him expressly, or intended to do so, when I said that there were Senators here who had always held that view—of course, inside of the Republican party. I had no idea of saying that the Senate from Iowa or any other Senator was outside of the Republican party. I have no authority to say whether a man is a Republican or not. That is a question over which I have no control and no desire to have control.

*Not in Conflict with the Platform.*

Mr. CUMMINS. May I say to the Senator from Rhode Island, I hope, and all Republicans holding a faith like mine hoped, that the Committee on Finance, with its more extensive opportunities for knowledge and investigation, with its more technical information respecting these subjects, would eliminate before the bill was reported these duties which, according to the

statement of the Senator from Rhode Island, are in conflict with the platform announced at Chicago, and to which every Republican in the land is pledged, if he desires to remain a member of that organization?

Mr. ALDRICH. I did not say they were in conflict with the platform adopted at Chicago, nor do I think that they are.

**We Should Settle the Trust Question Ourselves and Not Call In Foreigners.**

*From the Congressional Record of June 7, 1909.*

WELDON B. HEYBURN, of Idaho. Before the Senator from Iowa leaves the consideration of the principle he had under consideration, I feel impelled to make a suggestion or two in his time.

It can not be possible that any part of this body or of the American people have lost confidence in the power of our Government to deal effectively with any evil that may have arisen. It can not be possible that in order to punish any people belonging to us or to settle any condition that has arisen we must call in mercenary assistance. It can not be possible that a condition has arisen in our business world at home that we can not manage.

For instance, the suggestion of the Senator from Iowa and other Senators that a condition of business which is denominated the trust, has arisen and gained such a hold upon us that we can not manage it, and therefore we must go outside and call in the nations of the earth to overcome competition; for economic conditions here ought to be absolutely under the control of our own people. If trusts or unholy combinations have arisen, the laws of this country and the American people ought to be able to deal with them.

It seems too much like an admission of inability to say that we can not deal with you and we will go abroad and get the mercenaries of trade from other countries to come in here and settle this question of competition, because the law of competition is involved just as much in the Tariff regulations of foreign goods as it is between our own people. That is the

way this whole Tariff question appears to me. It is a question, it appears to me, whether we settle the question among ourselves or whether you shall go outside and import some business virus with which we shall inoculate the American people and thus heal this imaginary or real disease, whichever it may be.

It does not appear to me, Mr. President, that we are justified in thus estimating the capacity of the American people to govern themselves. That is the reason why I vote for the bill reported by the committee. I do not support it with that warmth and zeal that I would had they maintained the duties that had heretofore existed and that stand between the competition of the American people and other nations.

That is the kind of a Protectionist I am. Upon articles that we can not produce and articles that the people only use at their own convenience or choice I would impose a duty that would make a revenue that would meet the requirements of this country. Upon anything that the American people either do produce or can be taught to produce I would see to it that they had competition to themselves. There are 95,000,000 consumers, and pretty nearly that many producers, in this country. I would give them

#### *An Opportunity in the Field of Competition at Home*

to manufacture and sell and consume among themselves, and if any stranger wanted to come in with his wares, I would say, "There is a charge of so much admission before you can come in to do business with the American people." They are great enough and strong enough and have resources enough to constitute a world were every other country swept into oblivion. That is the kind of a Protective Tariff I am for.

Mr. CUMMINS. Mr. President, the Senator from Idaho is a formidable and an accurate sharpshooter, but he did not shoot at me. I suppose his victim will be found somewhere, suffering from the wound that he has inflicted, but he misunderstood me if his shot was intended to meet my argument.

I agree, Mr. President, that the duty

upon all competitive articles should be high enough to enable our own producers to supply our market. I agree to that. That does not destroy competition, because there may be, and there ought to be, competition among the American producers. But if you make the duty higher than necessary to enable our producers to supply our own market, paying American wages and giving American capital a fair reward, then if the combination or monopoly which I know the Senator from Idaho thinks is imaginary, but which I know to be real, comes into existence, it is able to lift the American price above the American level without inviting competition from anywhere in the world.

Mr. HEYBURN. I merely rose to correct any impression which may lie in the mind of the Senator from Iowa that I believe there is no such thing as a monopoly, because we have antimonopoly legislation, and if we enforce it, it will doubtless be effective to control monopolies. I would have no competition in a foreign country, because I would only deal with them in relation to those things which we can not produce ourselves.

#### *No Competition Unless Home Producers Lift Up the Price.*

Mr. CUMMINS. I would have no competition with a foreign country—that is, assuming we are dealing in competitive products—unless our home producers lift up the price, as they have been doing and as they are doing now, above a fair American level.

Mr. HEYBURN. May I ask the Senator if that is the point at which he would call in the foreign mercenaries to regulate our home affairs?

Mr. CUMMINS. I hardly know what the Senator from Idaho means with regard to "mercenaries." I remember that in the war of the Revolution there were certain Hessian troops who were called "mercenaries." I suppose in a general way that means troops that fight not for patriotism, but for pay. If that be true, then all the troops of commerce are mercenary, and they are fighting here for pay as vigorously and valiantly as I ever saw troops fight anywhere.

Mr. HEYBURN. I should like to have the understanding of the Sena-

tor from Iowa a little clearer as to mercenaries. A mercenary is a man who takes the part of somebody else for a consideration, and when a foreign country comes into our market for a consideration to settle the question of competition among our own people, it is a mercenary.

*Is the American Market the Birthright of the American Producer?*

Mr. CUMMINS. I do not think there is a difference of opinion between the Senator from Idaho and myself.--I may differ a little from him in just one respect; and in that his opinion seems to be shared by a great many others here. He treats the American market as though it were the birthright of the American producer.

Mr. HEYBURN. That is right.

Mr. CUMMINS. He does not contemplate that there ever will be a purchaser in the American market who has any right whatsoever. I believe in a market that is made up of producers and sellers and purchasers and consumers. I say that the consumer has some rights in that market just as sacred as have the producer and the seller. I would fill the market with American made goods if I could, but I would not fill it with American made goods if to do so involved the infliction upon the consumer or the user of an extortionate price for the things they are compelled to buy.

**American Hosiery Workers in Great Need of Adequate Protection.**

*From the Congressional Record of June 7, 1909.*

NATHAN B. SCOTT, of West Virginia. I hope it will be the pleasure of the Committee on Finance to restore the Payne rates in this paragraph. If the committee does not see proper to agree to it at this time, I shall try to put it in when we get into the Senate.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Committee on Finance.

Mr. DOLLIVER. It is a little difficult to those of us who do not see distinctly in the night to discover what was the occasion of striking out the House provisions and what changes

are made in the italics reported by the Senate committee modifying in any way the meaning of the House provision and the provision of the present law.

Mr. SCOTT. If the Senator will allow me. I am very sorry to say the Senate committee amendment reduces the proposed Tariff that was in the Payne bill, and that is the point I am objecting to. These people in my State have built up this industry and have made it one of the greatest manufacturing concerns that we have in our State. I went through it last fall. It employs a great many women and girls, and they earn fair wages, anywhere from three and one-half to seven dollars a week, by working five and one-half days. Since they have gone into the business the reduction has been nearly 50 per cent on the class of goods they are making, coming into competition with the foreign materials. They are only asking to have the rate that was originally in the bill when it came to the Senate restored.

*The Duty Ought to Be Substantially Increased.*

Mr. GALLINGER. Mr. President, I venture to express the hope that the proposed amendment by the Committee on Finance will not be agreed to, or if agreed to, that the House provision will be retained in conference. I have in mind at the present time several hosiery mills in New Hampshire that have been trying to compete with Germany during the past three years. To-day one of them is entirely idle, and the others are working on short time. The present duty is not adequate; it is not protective, and ought to be substantially increased.

Mr. President, at the port of New York alone during the months of January, February, and March, 12,874,244 pairs of hose came into this country; and the deluge continues. It is an absolute impossibility under the rates of the Dingley law for our hosiery mills to compete with the mills of Germany. I have in my hands Senate Document No. 16, and turning to page 53 I find from our consul at Chemnitz these words:

Chemnitz hosiery manufacturers sell nearly one-half of their total product in normal years to the United States, and the amount is about four times greater

than what is required for consumption in Germany itself. In certain cases American firms contract for the entire annual product of various Chemnitz hosiery mills; in others, one or two American customers may contract for the chief bulk of wares produced by single mills.

Mr. President, that is the situation. The hosiery manufacturers of Chemnitz, in Germany, are selling their products in the United States because our manufacturers are utterly unable to compete with them under the rates of duty imposed by the existing law. The House of Representatives, recognizing that fact, increased the duties to what they thought was a reasonable Protective point, which I think ought to be continued beyond peradventure.

*Prefers to Legislate for the Poor Women  
Who Work in Hosiery Mills.*

The Senator from Iowa [Mr. Dolliver] talks about the good ladies of Chicago. It is true, Mr. President, that a great concern in Chicago did succeed in getting up quite a movement on the part of the women of Chicago, who demanded that the rates should be reduced from those fixed by the House bill; but it is equally true that the women employed in the hosiery mills of this country, thousands and thousands strong, have entered a protest against reducing the rates fixed by the House. For my part, I prefer to legislate for the poor women who are earning their living in these hosiery mills rather than for the women of Chicago, who can afford to buy hose at a price such as the mills of the United States can afford to manufacture them for.

Mr. SMITH, of Maryland. The Senator from New Hampshire states that the hosiery manufacturers in his State are not working full time. I should like to ask the Senator if he knows of any manufacturing industry in this country that is working full time?

Mr. GALLINGER. Oh, a great many.  
Mr. SMITH, of Maryland. I do not know many.

Mr. GALLINGER. A great many.

Mr. SMITH, of Maryland. There may be such, but they are exceptional. I want to say to the Senator from New Hampshire that there is no more reason why this industry should be Protected in order that the mills may

work on full time than that other manufactures in this country should be Protected.

*Twelve Million Pairs of Hose Imported in  
Three Months.*

Mr. GALLINGER. Well, Mr. President, there is every reason why it should be Protected to the point where it would prevent the importation in three months into the port of New York of over 12,000,000 pairs of hose. That is only one part of our country which shows that we are being literally deluged with German hose.

Mr. SMITH, of Maryland. I know of no other article that is Protected much better than hosiery.

Mr. GALLINGER. It simply is not adequately Protected. That is the difficulty.

Mr. SMITH, of Maryland. And there is no reason why the people of the whole country should be subjected to an unreasonable duty in order to Protect a few manufacturing interests in the State of New Hampshire or in any other State.

Mr. GALLINGER. Mr. President, the Senator from Maryland is getting rather narrow in his discussion when he alludes to the State of New Hampshire in this connection. This industry is carried on in a great many States.

Mr. SMITH, of Maryland. I say or any other State.

Mr. GALLINGER. Yes; or any other State. I say to the Senator from Maryland that this industry to-day is absolutely languishing, and has been languishing for several years. It is utterly impossible—and I speak from knowledge—to carry it on successfully in competition with the underpaid labor of Germany, where our merchants go into the great city of Chemnitz, buy the product there and bring it into this country and undersell the manufacturers of the United States.

*We Pay Four Times the German Rate of  
Wages.*

Mr. PENROSE. There are some 600 hosiery mills located in the country, in over 32 States. These hosiery mills employ about 50,000 people, on whom are dependent for a living some 500,000 persons. They are scattered all over the North, the South, and the West.

The German wages are about 25

cents, where we pay \$1. The hosiery concerns are not open to any charge of being in a trust or ever having been in a trust or likely to be in a trust, so far as that statement may be a consolation to those who become apprehensive with a suspicion of such an occurrence.

I am told that the importations for last April are 63 per cent greater than they were for April, 1908. The importations for the last few years are most striking. In 1903 they were \$8,000,000; in 1906 they rose to considerably over \$9,700,000; in 1907 to \$11,000,000, and in 1908 to nearly \$11,000,000.

The rates of the Payne bill will have to be adopted by the Senate in this connection or the manufacturers of hosiery will have to reduce the wages of their employees 20 or 25 per cent or close their mills, as it is impossible for them to proceed under the Dingley law.

Mr. DOLLIVER. What class of cotton hosiery does the Senator refer to as being threatened with this dangerous foreign invasion?

Mr. PENROSE. All hosiery, as I understand.

Mr. DOLLIVER. Does it affect what is called clock hosiery?

Mr. PENROSE. What hosiery?

Mr. DOLLIVER. Clock hosiery.

Mr. GALLINGER. It very seriously affects the higher price hosiery of that character.

*Affects All the Hosiery Made in America.*

Mr. PENROSE. As I understand, it affects all the hosiery that is made by American producers.

Mr. President, there are individual concerns now protesting against the proposed hosiery schedule who have more money than all the hosiery manufacturers in the country combined.

The middleman's profit, which runs from 60 to 100 per cent, should convince any fair-minded man who has the prosperity of the country at heart that this small advance in duty can not affect the consumer.

The contention of the National Association of Hosiery and Underwear Manufacturers for an increase in the Tariff on cotton hosiery is based entirely on the cost of manufacturing abroad and in this country.

The Tariff of 1897 does not measure this differential in cost. In July, 1908, the manufacturers of Chemnitz, Germany, forced a lockout of their employees, which ended by the help returning to work at a reduction of about 25 per cent in wages.

Investigation shows that the following is about the

*Comparative Difference in Wages*

at the present time. German wages can be substantiated by the government's official reports.

*Chemnitz.*

	Per week.
Males (knitters) .....	\$5.00 to \$6.50
Males (finishers) .....	3.00 to 4.00
Females .....	1.50 to 3.50

*United States.*

	Per week.
Males (knitters) .....	\$22.00 to \$33.00
Males (finishers) .....	11.00 to 16.00
Females .....	5.00 to 13.00

Wages are according to class and grade of work and skill required; deftness and ability largely enter in the matter of wages, the scale of wage being based on piecework.

I ask to have inserted a memorandum giving these figures more in detail.

The PRESIDENT pro tempore. In the absence of objection, permission is granted.

The memorandum referred to is as follows:

*Imports of Cotton Hosiery.*

	Dozens.	Value.	Duties.	Total value.
1903 .....	3,814,055	\$4,948,390	\$3,149,387	\$8,098,247
1904 .....	4,119,579	5,430,905	3,264,040	8,694,945
1905 .....	4,232,028	5,424,060	3,287,518	8,711,638
1906 .....	4,690,870	6,119,195	3,675,829	9,795,024
1907 .....	5,128,726	7,019,394	4,138,741	11,158,135
1908 .....	4,829,123	6,855,075	3,894,824	10,849,899

Mr. PENROSE. In 1908, when American hosiery mills were being operated on half and three-quarter time, the importations fell off \$300,000 only, owing to revised costs of manufacturing

in Germany and reductions in the price of hosiery.

Mr. President, there is another menace to this industry which we must not lose sight of, and that is the in-



creasing competition from Japan. A pure silk hose is retailed in Tokyo and Yokohama at \$1 Mexican or 50 cents in American money per pair.

Investigation has disclosed the fact that the manufacturer sells the same articles at about \$4 United States currency. At this price it would cost to import, all duties and charges paid to New York City, about \$6.55 per dozen pairs for the Japanese silk article.

### *Oriental Competition.*

This hose, from the standpoint of a hosiery manufacturer, is absolutely the most perfect article known to the craft, combining, as it does, all the best features of both foreign and American made hosiery.

The frame on which this hose is made does not, to the best knowledge of any one in the business here, exist outside of Japan. The product is absolutely perfect in every respect and can not be criticised in any way.

A German silk-lace hose of similar quality, while possessing only part of the best features of the exhibit, costs in Germany at wholesale about 40 marks, which would make the cost in the United States, duties and expenses paid, about \$16 per dozen pairs.

Japanese hosiery workers, according to last reports, receive wages as follows: males, 25 cents; females, 9 cents to 15 cents per day. The day's work is from twelve to fourteen hours, according to the season of the year.

Up to the present time the Japanese have not attempted to export their hosiery to this country, preferring first to gain the markets of the Orient; but the day is not far distant when they will be in a position to force the American market.

Mr. President, this industry, as I have said, is scattered all over the country. It gives employment to men, women, and children, and is a benefaction in every community where it exists. I join with what I assume to be the attitude of the Senator from Iowa, that something can be done later on to alleviate their condition.

An effort was made to create the impression that these mills had all been working on full time, or very nearly full time, and were in a prosperous condition. I have here a very large number of statements from mills

all over the country, setting forth that while it is true some of these mills have been running during the winter at a reduced rate in order to keep their employees at work and to keep their machinery going, yet that condition is rapidly passing away, and few of them are working at more than 60 or 70 per cent of their capacity; that many of them are closed altogether, and that, in the opinion of every one engaged in the industry, there is no future for it unless the Payne rates are restored to the Tariff bill.

### *Undervalued Hosiery from Germany.*

Mr. GALLINGER. Mr. President, just one word more. In this official communication from our consul at Chemnitz not only is the startling fact stated that almost the entire output of that great city is sent to the United States, but it is also stated that they are selling to the American importers at a less price than they sell to the domestic market. So that these goods are not only being sold lower here than they are sold to the people of Germany, but they are being practically dumped upon the American market to the extent of the output of those immense mills.

### **Putting Domestic Products on the Free List Is Destruction of Property Interests.**

*From the Congressional Record of June 8, 1909.*

STEPHEN B. ELKINS, of West Virginia. Mr. President, the Tariff debate in the Senate and the discussion in the public press make plain one fact, that the Protective policy and Protection sentiment is stronger throughout the country and with the people than at any other period in its history. The Senators who claim that the rates are too high and ought to be reduced, I think, are good Protectionists and are sincere in what they are endeavoring to bring about.

But I do not agree with those Senators in the reduction of duties downward when they wish to go as far as the free list. I want to stop some-

where this side of the free list. I think the products of West Virginia are entitled to Protection, the same as the products of other States. I want to put the reasons for Protecting them on the same ground that is claimed for the manufactured products and the agricultural products of other sections of the Union.

Putting products on the free list is not reduction of duties, but it is destruction of property interests, which is still more serious.

*Raw Materials Entitled to Protection, Same as Any Other Product.*

I still believe that Protection in its broadest and best sense would be strengthened by placing a duty on every American product competing with foreign products in our markets, thereby insuring some measure of Protection or some share in the distribution of duties on all competing American products discriminating against none. Some Senators consider what is called raw materials are not such products as are entitled to Protection. What is generally termed "raw material" in one section is the manufactured product of another. Whenever money is invested in raw materials and labor has been expended on them, they become manufactured products and are entitled to Protection the same as any other product and for the same reason.

Bismarck, more than twenty years ago, attributed the wonderful progress and prosperity of the United States to the Protective policy, and urgently advocated Protection for the German Empire, which it has adopted, and is now a strong Protection nation. Germany Protects more of her products than any other country in Europe, and as a result is to-day most prosperous and leads Europe in manufacturing. Germany has so arranged its Tariff in the interest of Protection that if it finds a foreign article being sold in her markets she immediately puts a duty on the same almost prohibitive. In this way Germany drives competing products of other countries out of her markets, and has obtained such a degree of prosperity in manufacturing that she not only manufactures nearly everything her own people consume, but sends her manufactured products

to the markets of England and other countries.

*Reasons for Duty on Coal and Petroleum.*

I wish to give some reasons for maintaining a duty on coal and petroleum, among the leading and important industries of West Virginia and the whole country.

Coal and petroleum are finished products and entitled to the same consideration in fixing the duties on foreign products competing with American products in our markets as other manufactured products.

To produce coal and petroleum requires vast capital, large plants, great improvements, and the employment of labor; indeed, everything that enters into the manufacture of shoes, sugar, cutlery, woolen and cotton goods, tobacco, gloves, on all of which there are, in the present bill, duties ranging from 50 to 150 per cent. There should be no difference or discrimination as to these products in making the Tariff.

*Importance of Coal.*

I wish now to give some figures and data to show the extent and importance of the coal industry of the United States. The production of coal last year, and it was a dull year, was 419,000,000 tons, worth \$500,000,000 at the mouth of the mine. This includes anthracite coal. In estimating the value of coal, transportation has to be considered along with it, because transportation adds so greatly to the cost of coal, so that in many instances it is worth twice as much as the coal and often three times as much. Therefore, if we consider the question of the transportation of 419,000,000 tons of coal it is equal at least to \$800,000,000. So there is involved in the coal industry in mining and transportation this enormous sum of money every year.

Coal going to New England from West Virginia is worth say \$3.25 to \$3.50 a ton in any of the ports of New England; \$2.10 of this is transportation. It is \$1.40 by rail and 70 cents by water. West Virginia has to send her coal by rail 400 miles and by water 600 miles to reach New England, to compete there with Nova Scotia coal.

Nearly 3,000,000 people depend upon this industry for a living. There are thousands of towns and small communities scattered all over the country

dependent almost entirely on coal mining and the coal industry, just as there are towns and communities everywhere dependent upon the steel, iron, shoe, leather, cotton and woolen industries.

The capital invested in coal lands, mines and improvements will reach into thousands of millions. With this

### *Vast Outlay of Capital and the People Employed,*

it becomes a very serious matter to disturb or impair in any way the coal industry.

It is said this will only affect some of the coal States in the East and a few States in the Northwest. I want to lay it down as a general proposition that when anything tends to reduce the price of a commodity it has an effect upon the price of the commodity all over the country, and if the price of coal is reduced or coal mining is destroyed in certain States you affect the price of coal generally.

The bankers, merchants, grocers, and farmers near the mines, as well as many other people, are directly or indirectly interested. A large coal plant is always the nucleus of a town, which depends on the working of the mine. The abandonment or the closing of large and established mines, or their impairment, would destroy whole communities and towns and bring distress and ruin to many people.

Mr. SCOTT. Is it not true that in Nova Scotia there are large coal fields now only waiting to be opened up and developed, provided there is no duty placed upon coal so that it can be brought in?

Mr. ELKINS. Yes; that is precisely true. New mines in Nova Scotia are ready to be opened whenever the duty of 67 cents is removed. Nova Scotia sent 700,000 tons of coal last year to New England after paying the duty.

### *Would Not Benefit the Consumer.*

Mr. GALLINGER. Mr. President, does the Senator think that putting coal on the free list would do much good so far as the consumer is concerned?

Mr. ELKINS. No; not a bit.

Mr. GALLINGER. I asked that question for the reason that we had free coal a few years ago, and we in New

England, notwithstanding a million tons more or less were sent in from Nova Scotia, did not discover that we got our coal any cheaper because of the fact that it came in from Nova Scotia free. It displaced that much West Virginia and Pennsylvania coal, but the profits went into the pockets of certain well-known gentlemen, with whom doubtless the Senator from West Virginia is acquainted.

Mr. ELKINS. The Senator is precisely right, as he always is on economic questions. We did not get the coal any cheaper, but, strange to say, we imported 3,000,000 tons into this country in eight months. A part of that came from England. The price was maintained all the time. It did not go 1 cent lower.

### *Nova Scotia Would Furnish Nearly All the Coal.*

But Nova Scotia has about a thousand miles square of coal, containing four veins of coal whose average thickness is about ten feet, making about six thousand millions of tons of coal, two-thirds of it as good as West Virginia coal. Now remove the duty and give this coal the New England, New York, and the New Jersey markets, and the result would be that Nova Scotia would furnish, in a few years, New England nearly all the coal she now gets from West Virginia, because Nova Scotia coal could be sold for lower prices. It will be asked why should not the people of New York and New England get their coal cheaper. The answer to this involves the whole question of Protection. If New England and the East ought to have cheaper coal and get it by taking off the duty, then why should not the duties on all manufactured products competing with those of New England be also taken off, so that the people all over the country could get them cheaper? The principle of Protection is to build up our home industries by manufacturing our own products—this gives our people employment, keeps the money in the country, and makes this country an independent and self-reliant nation.

There are Americans and Canadians waiting to see if coal is put on the free list to buy coal lands in Canada, and if they should, and open new

mines, they will ultimately take the New England market, I think, except for the very best quality of coal, and in a few years take all the New England market. The result of this would be so disastrous, so ruinous, and demoralizing to West Virginia, Maryland, and eastern Pennsylvania that these States can never consent to the lowering of the duty on coal.

#### *Tariff on Coal in 1787.*

Mr. HEYBURN. If the Senator will permit me, before he passes from the question of duty, I desire to suggest that in the original Tariff bill a duty of 50 cents a ton was levied upon coal. That was the Tariff bill that was passed in 1787, the first Tariff bill, passed by the First Congress.

Mr. ELKINS. James Madison drew it.

Mr. HEYBURN. Fifty cents was the duty levied in order that those coal beds, known then to exist, but not developed, in what was then Virginia, and in Pennsylvania and in Maryland, and with a transportation that must be by wagon to the place of use, might compete with coal from England which came by water, and the Representatives of Virginia, Pennsylvania, and Maryland insisted on that duty of 50 cents a ton on coal in order that we might be able to develop our own coal fields and shut out the English coal.

Mr. ELKINS. It was put in for that very reason. Going back in our history, in 1854 we tried reciprocity with Canada for ten years in coal and other products, mostly agricultural. I think there were 25 articles in the list, but the principal ones were agricultural products and coal. Canada never exercised her treaty rights so far as coal was concerned, and coal carried a duty all through the life of that treaty. The result was that in ten years the treaty was abrogated. It did not work well. The reason I refer to this is that the Payne bill provides for reciprocal arrangements between the United States and Canada as to coal.

Mr. President, I wish to emphasize more sharply, if I can, that no discrimination ought to be made in the case of the coal industry in levying duties or guaranteeing Protection.

#### *Coal Is a Great American Industry, and Entitled to Protection*

the same as the Farm Products in the States bordering on Canada and the manufactured products of New England, Pennsylvania, New Jersey, and New York.

I notice that smelts, eels, barley, rye, pumice stone, and lemons are favored with high duties in the pending bill. In looking around to find something not Protected in Massachusetts, it seems eels and smelts were the only products not on the dutiable list, and instantly a duty was imposed upon eels and smelts. This fact, with high duties on nearly everything New York, New England, Pennsylvania, and New Jersey produce, encourages me to ask that the present duty on coal be not disturbed. Coal is already in the low-duty class.

Coal deep in the ground as nature left it is raw material, and no harm can result if in this state it should be put on the free list; but when it is mined and brought to the surface of the earth, it becomes a manufactured product, as much so as any other manufactured product, and should share in such Protection as accorded other American products. The same may be said of oil 3,000 feet below the surface of the earth, and the untouched trees in the deep forests. They are raw materials and left where nature placed them. I do not oppose their going on the free list, but when the trees are made into lumber and the oil pumped into tanks they become manufactured products and need Protection.

#### *While Regulating Trusts We Must Not Destroy the Independent Producer.*

Petroleum and its products constitute one of the leading industries of the United States. There are about 170,000 oil-producing wells in the United States, representing, directly and indirectly, an outlay of about \$700,000,000, of which the independent producer owns seven-eighths. Are you going to impair this tremendous investment, seven-eighths of which belongs to the independent producer, in order to punish the Standard Oil Company? The Senator from Wisconsin [Mr. LaFollette] made an able speech yesterday. One feature of it was this

very question of the evils and abuses of concentration and combination in business, but in trying to regulate the trusts through the Tariff or otherwise we must not destroy the independent producer and his large interests. If the independent oil producer or the independent steel maker or the independent producer in any other business is to be hurt or destroyed in trying to correct the abuses of the great combinations—then in the end this would leave everything in the hands of the great combinations; this surely should be avoided. The great trusts and combinations can stand Free-Trade and survive, but the independent producer can not; he must go to the wall and disappear, leaving the trusts and combinations in charge of all production and without opposition.

#### *Would Benefit Other Countries.*

I believe Russia will have sense enough to send her oil here if we have little sense enough to take off the duty. It is just what anyone would do. If the able Senator from Indiana possessed oil wells in Russia, and the duty was taken off, he would look around for a ship to-morrow to transport his oil to this country.

Placing petroleum and its products on the free list would benefit Russia, Mexico, Canada, and the Dutch Indies, and be a great stimulant to the development of every foreign petroleum industry. The damage that would follow would be felt by the independent oil producer all over the country, because prices, too low in some localities, as Kansas, Oklahoma, and Texas, already, would still further decline. The Standard Oil Company could stand this better than the independent producer.

#### *Protection Should Be Maintained on Competing Products.*

Protection has been the foundation upon which the great manufacturing industries of New England, Pennsylvania, New York, and New Jersey, and other States have been built, and these industries are the growth of nearly a century. To ask that one-half of their products be put on the free list and low duties on the rest would bring ruin to these great States; even society itself, with the impairment of these industries, would be-

come disorganized. Yet this is just what the Payne bill requires as to the leading and longest-established industries of West Virginia and the South.

Heretofore the South has opposed Protection, even on her own products, and, in my judgment, to the great detriment of her people and business. It is said the South has made politics her business, while the North has made business and prosperity her politics. Look at the difference in the progress and prosperity of the two sections. Look at the triumphs and astonishing results in New England, with mostly brains and granite as natural resources, not producing enough meat and breadstuffs to support her people, with no coal, iron ore, timber, oil, cotton, yet she leads in manufacturing in many important industries, and her people are contented, successful, and prosperous. If New England had the natural resources of the South and her vast area she would lead all nations in manufacturing and general business, and go on not only shaping the destinies of this mighty Republic, but influencing and molding the thoughts and economic policies of the world.

#### *Protection Has Kept the Republican Party in Power for Forty Years,*

and will continue to do so as long as the great Democratic party opposes this cardinal principle, long ago adopted and confirmed time and time again by the American people.

The South can stand Free-Trade better than any portion of the Union, but she can not go forward and make progress in the industrial race of the nation and enjoy that prosperity that belongs to her, by reason of her great advantages and natural resources, if the products of other sections of the Union have high duties and Protection and low duties or none at all on her products. This makes the race uneven. For fifty years the South has been denied advantages other sections have enjoyed.

In looking at the schedules in the pending bill no important American farm or manufactured product in New England, New York, Pennsylvania, New Jersey, the Northwest, and Pacific States, competing with foreign products, is on the free list; not one.

Then, why should the leading industries of certain other sections and States, such as coal, lumber, oil, and other products, be put on the free list or have a low duty? This is discrimination which should not obtain in making a Tariff bill for all the people. The people of the South are the consumers of the farm and manufactured products of other States and pay their part of the duties that Protect them, and in turn, according to all the rules of fairness and justice, the products of West Virginia and the South should be Protected.

***A True Protectionist Can Not Be Selfish and Partial;***

he can not ask for a duty or Protection on the products of his State or section and deny it to other States and sections. With him Protection should be an economic principle; not local, but national.

The Protectionist votes to maintain Protection to American industries and American wages, always having the good of the whole country and the good of the people in mind.

A Tariff never could be made if the States voted for duties only on their own products and against placing a duty on the products of other States, which they do not produce. If there is to be a revision or change in the Tariff downward or upward, or however made, I protest why make it downward on coal, oil, lumber, iron ore, and other Southern products and not on highly Protected products? Why reduce the duty on lumber 50 per cent and increase or retain a high duty on wheat, barley, cotton, woolen goods, cutlery, shoes, sugar, and many other articles?

The Tariff should be general in principle and application, not favoring certain products, States, and sections, while discriminating against others.

The Republican party, strongly entrenched as it is in public confidence, can not continue to hold power if it fails to adhere to Protection on broad lines, and, in making the Tariff, discriminates in favor of the products of certain States and sections. No section of this country could be prosperous if part of its manufactured and other products were on the free list or had only a low duty.

Duties should not be mountain high on some products and no duties on others.

The present Tariff bill, to last and give satisfaction, must be made right. Duties must be fairly and justly levied and distributed on foreign products, with no favoritism to States or sections.

**Over \$135,000,000 in American Wages Involved in the Woolen Schedule.**

*From the Congressional Record of June 8, 1909.*

WELDON B. HEYBURN, of Idaho. Mr. President, I do not know that I can add very much to the technical discussion affecting the manufacture of woolen goods, but there is a practical side to this question affecting the people that constitute a very considerable percentage of the consumers of this country as well as producers that should not be lost sight of. We are apt to lose the consideration of that question in the consideration of these mysterious figures affecting the classification of imports and the duties upon them.

Of course the value of our home product depends upon the quantity and the condition of the importations of wool. If the people can obtain all the wool they want from abroad upon better terms than they can obtain it at home, they will largely buy the foreign product; and the purpose of a Protective Tariff is to regulate the conditions under which foreign wool may come into this country, so that there will be a greater burden upon the foreign wool and its products than upon the domestic wool. That is the spirit of the legislation now under consideration.

Largely we must appeal first to the labor item. I find, from a reference to the report of the committee of the Senate, that there are \$135,069,063 of wages involved in this controversy. Those are the figures given us by the committee, and they are no doubt correct. That sum of money represents more than the value of all the land, with the buildings and improvements upon it, in about 17 States. There are 17 States in this Union whose total valuation of lands and improvements

falls below the wages item in this schedule. I state that in order that we may carry in our minds all along some comparison upon which to determine the equities of this question.

There is not an enterprise in this country in which the wage item enters more largely than into the question of the woolen schedule. The largest item in the woolen schedule is men's clothing. That, of course, includes the cloths to which the Senator from Wyoming referred, but that item includes the wages of the people who convert the wool into clothing. That is about one-third of the wage item.

#### *Increased Cost of Producing Wool.*

A brief comparison of the figures will throw some light upon this question as it affects the men who produce the wool. At the time of the enactment of the Dingley bill it cost \$1,479 to produce in bale the wool of 1,200 sheep. To-day it costs \$2,840 to do the same thing. There is a difference in wages to the men producing that item of \$1,365 between free wool and the Dingley Act.

That item is denominated as a flock. Sheep raisers divide their sheep into flocks for convenience of care and protection. So it will be seen that the increase is practically 100 per cent of the cost of raising a flock of sheep and producing the wool to-day, as against the cost at the time of the enactment of the Dingley bill. Why? Because men at that time were working for less wages; were compelled to submit to less profit. And these are the items: In 1897, 1 herder, at \$35 per month, \$420 for the year; 1 camp tender, at \$25 a month, \$300 per year; board for the two, \$25 a month, \$300 a year; shearing, at 7 cents each, \$119; feeding hay, at 20 cents each, \$340. That makes up the total of \$1,479 for taking care of and taking the wool from a flock of sheep.

Compare those wages, and you will have a very fair idea of the differing conditions under Free-Trade and a Protective Tariff. The man who received \$35 a month in 1897 now receives \$50 a month. The man who received \$25 a month as camp tender now receives \$40 a month. The man who boarded them for \$25 a month under Free-Trade now gets \$50 per

month. We now pay to the Government a grazing fee of 7 cents upon each of these sheep, and that is whether they are on forest reserves or on any other government land. The shearing which in 1897 cost 7 cents to-day costs 10 cents; that is, the men get 3 cents apiece more now for shearing the sheep than they did then. The hay in 1897 cost 20 cents for each sheep and to-day it costs 50 cents.

#### *With Restored Protection the Tables Turned.*

Mr. President, under the Free-Trade policy and practice of the Democratic party the importations of wool from foreign countries almost doubled—some years more than doubled—and the exportations of wool fell off proportionately. That meant that we were sending our money abroad to get clothes, the product of wool. If we had it, we were sending it abroad to buy the products of other nations.

Immediately upon the enactment of the Dingley bill and the restoration of a duty upon wool the tables turned and we began to produce wool in this country, and the importations decreased notwithstanding that our necessities were enhanced by our prosperity and the balance of trade has been in our favor on this product ever since, to the extent of a great many million dollars.

There has been \$900,000,000 of wool produced in this country since the Dingley bill was enacted, which would not have been produced under the Free-Trade Wilson-Gorman bill. I take that from the figures showing the exports and the imports and the production and the use of this article. Those figures represent good government in the interest of the people.

#### *No Pledge of Downward Revision.*

This talk of being under obligations to revise the Tariff downward came from somewhere; I do not know from where; from some political, I was going to say swamp, like a miasma. No man dared to mention it in the national platform. It was a concession, a sop, thrown by those lacking in confidence to the voters whose support they thought they had to have. Four years ago, with similar conditions, without any such pretense, we cast the

largest majority for the leader of the Republican party that had ever been cast. Have conditions changed so in four years that we must add some promise? There is nothing in the platform of the Republican party which requires us, as suggested by the Senator from Iowa, to make any concession, because some one or many may have promised a revision downward. They seem to think that the Republican party never had a platform until the last Chicago convention.

The platform of the Republican party includes every declaration which has been made since its organization, and the declarations of 1860 and 1864, and in every other campaign, are still a part of it.

The man who denies it had better review and revise his Republicanism. There is not a plank in its history, in any campaign, that any Republican would to-day strike out. If we do not repeat them all every time, it is because we have written them into the laws of the country, for which the Republican party stands, and it is no longer necessary to repeat them. But they have not been dropped out. We post our ledger every four years and include conditions that have arisen as a basis of a declaration to the people, but we do not unwrite the words of the Republican platforms of the past.

Mr. NELSON. If the statement of the Senator from Idaho is correct, and all the object of the revision was to assure the people that the existing Tariff was correct,

#### *Why Are We Here to Pass a Tariff Bill?*

What is the purpose of it? Ought we not to adhere to the Dingley law?

Mr. HEYBURN. I will refer the inquiry to the Senator from Minnesota as to why we are here. We are not here because the Republican party had proven incompetent to manage the affairs of this Government. We are not here because we did not have prosperity under Republican rule. We are not here because we intended to repudiate the lifelong principles of the Republican party. We are not here for any of those reasons.

Mr. NELSON. The Senator misconstrues me. When I used the expression "What are we here for?" I meant why are we here pretending to revise the Tariff,

Mr. HEYBURN. We are here looking it over. We are here inspecting the great building occupied by the people of this country, to see whether or not it is in good working order. It was in good working order at the time of the Chicago convention. It has been in good working order always when the Republican party has controlled the destinies of this country; and it will be in good working order only so long as the Republican party controls its destinies along the lines upon which that party has always rested.

That is the answer I make to the Senator. He has been a lifelong member of the Republican party, if I am correctly advised, and he knows that the foundation stone upon which it rests is a Protective Tariff that will give the people of this country the markets of the country without any close competition with the producers of other countries. This thing of trying to scale the wool Protection down to a hairbreadth and then drawing fine lines and indulging in close analysis to see whether or not it is possible for our business opponent to slip over the line in a night and invade our ground is not my kind of revision or Republicanism.

#### *Running High Priced American Labor Against the Cheap Labor of Europe.*

What do you propose to do in this country? You propose to run the American labor engaged in this industry, the average weekly wages of which is \$8.31 per week, against the Italian labor, which is \$3.77 a week, and I speak from official figures, the identical labor, the same number of hours.

Mr. NELSON. I do not understand that the Italians are raising sheep or sending any wool over here.

Mr. HEYBURN. The Senator would be astonished to know how many of them are engaged in the manufacture of articles within this schedule. I have it, but I want to finish the statement from the comparative tables. You would be running the American labor, that receives American wages and lives like an American, up against the corresponding labor of France at \$5.03 per week. You would be running the American labor, with the attributes of the American citizen be-



hind it, against English labor at \$5.72 per week.

Why would we who are here to represent these American laborers trade off their prosperity in a vain attempt to follow after some untried theories of government, when we have, and know that we have, conditions here, the result of the republican system of government, that leaves us a margin which represents the profit to the American people?

Mr. President, I have heard some suggestions here as to the basis of a Protective Tariff that have not accorded with my idea. All these comparisons have been between great enterprises in America and like enterprises abroad. Senators have been comparing how possible it was for the well equipped and great American factories to compete with those abroad. Where, in their minds, were the small enterprises of this country? The true basis of a Protective Tariff is not with the great enterprises that might compete because of the volume of their business. It begins with the smaller concerns. The question in my mind is not whether the Amoskeag Mills might compete with the foreigner, but it is whether the little mill down in the valley that represents all that men of smaller means have shall compete with him. That is Protection. The Protective Tariff was to protect those who need it, and those who need it most are not the great enterprises with vast capital and great buildings.

#### ***Would Make Foreign Competition Difficult.***

All through this discussion, as I have heard it on both sides of the Chamber, my mind has criticised that comparison and has been making inquiries all the time. The figures I have been making all the time have been applied to the small manufacturer, the small merchant, the small producer, because, when you come to the last analysis, they are the subjects in the contemplation of the fathers of the Republic when they established this doctrine of Protection.

But I would buy not one dollar of the surplus of other nations if I could avoid it. I would only do it when the home product was insufficient. I would rather trust the comfort and the destiny and the prosperity of the American people to competition within our

own Nation and between our own citizens than to have it at the mercy of competition with foreign countries and foreign conditions. I would make it very difficult for the foreign producer to enter our household and take a seat at the table of Republican prosperity.

#### ***Where the \$135,000,000 In Wages Is Distributed.***

Mr. President, I have attempted to present this question from the practical side of the woolgrower, and that means the market that the woolgrower makes. Where do you suppose the \$135,000,000 in wages paid in this country in this industry is distributed? It buys your cotton from the South; it buys your wheat from the North and your barley from Minnesota. Those wages are distributed throughout the entire business world in this country. They do not go abroad to purchase foreign articles. Suppose the industry was destroyed. To what field would this labor go for employment? Would you wipe it out? Would you wipe out the \$15,000,000 worth of sheep product in Idaho? If you reduce the duty on wool, you will wipe it out to some extent, if not entirely.

I am speaking for the consumers who consume your wheat while they are raising our sheep. I am speaking of the consumers who consume the product of every State in the Union while they are thus engaged. I am speaking of the merchant and the manufacturer who because of the employment of these men have a market that they would not otherwise have. You take a cent a day from them and you lose a cent a day out of the volume of your business. You take 11 cents, or any other number of cents, off the duty on wool, and you lower the fence of Protection and increase the danger of competition at the expense of American labor.

#### ***Seven Hundred and Fifty Million Dollars Invested in the Sheep Industry.***

There is invested in the sheep industry of the United States more than a hundred million dollars. Where would that capital find investment—in what field? It would be withdrawn or lost in either event at the expense of the business and commerce of the world. What income would take the

place of this? What field of industry would offer employment to these men? I am appalled when I find any number of American people willing even to contemplate the withdrawal of opportunity from any other number of the people. The prosperity of this country is because of the opportunity offered to them. That is the only function or purpose of government as applied to the individual. It is opportunity. It is the Republican party that has given the American people the opportunity to engage in profitable enterprise; it is the Republican party, by the exclusion of the outside world, that has given the people of the United States the opportunity to build up the great riches and the great enterprises of this country.

Mr. WARREN. Mr. President, if I understood the Senator from Idaho correctly, I think he misquoted the amount invested in the sheep industry. He spoke of it as being \$100,000,000.

Mr. HEYBURN. I said more than \$100,000,000.

Mr. WARREN. It is about \$750,000,000. A hundred million dollars would be less than \$2 a head for the sheep, without allowing anything for the ranches and other property.

Mr. HEYBURN. I did not intend to include those things. I was merely referring to the sheep industry. That represents an investment between ninety and one hundred million dollars. Of course, that does not include the capital invested in the great enterprises that grow out of it and are connected with it.

Mr. WARREN. The sheep alone, if sold on the market to-day, would bring considerably more than the amount stated.

Mr. HEYBURN. Yes; I suppose they would, if they were all marketed. I did not intend to include the cost of the land, the buildings, the factories, and the tonnage that is paid to build and maintain railroads. Those figures would soar into almost unbelievable sums.

### Ruinous Effects of Free Wool Under a Democratic Tariff.

*From the Congressional Record of June 8, 1909.*

PORTER J. McCUMBER, of North

Dakota. Why should anyone, regardless of his politics, seek to take a chance of striking down even the Protection of a cent? I hope that the existing law in regard to the Tariff upon these subjects will not be disturbed one iota, because I believe you will have to pay dollar for dollar for every dollar that you take from it.

Mr. President, a system or a theory that has been tried in government and found successful in its application should never be disturbed, even because a very large number of people think they could do better. There is always some one who thinks he could improve on existing conditions; there are people ever ready to criticize others; but I have observed in life that, if they get an opportunity to substitute their ideas, conditions are rarely, if ever, improved.

Mr. President, I know something about the conditions in the sheep industry for the four years prior to 1897. I am not going to take up any time in elucidating this subject, but will give one concrete incident. About the year 1895 or 1896 I know of a flock of sheep of some 4,000 in number sold for a dollar and a quarter a head. They were all full-grown sheep. Those sheep to-day would bring a price of \$5 a head, or nearly five times as much. During the four years preceding 1897 I have seen the warehouses in the western part of my State loaded with wool that was not worth the price of the freight to the Eastern market. That represented the general condition during those four years.

#### *They Lost Enormously.*

Mr. President, the people of the State of North Dakota and all of the western section lost enormously during those years. They have been making up those losses in the last ten years, but I do not think with all of the profits they have made that they have entirely recouped the losses for that particular period.

I am not going into the subject of what constituted the real cause. It may be that we were frightened; it may be that the Wilson-Gorman law had nothing to do with it, that it was just lack of confidence; but I can give another concrete incident in relation to how that lack of confidence worked

with some of us. In 1892 I, with some other people, organized a sheep company. We incorporated along toward the fall of that year. We then thought that we had better wait until after the election before we either purchased the sheep or the lands that we had in contemplation. We waited until after the election. It did not go as we expected and hoped it would go; and that corporation was dissolved. We dropped the project. That is one instance in my life when my foresight of conditions that would ensue was absolutely correct. So nothing ever came of that organization.

### Enormous Imports of Shoddy in the Free Wool Period.

*From the Congressional Record of June 10, 1909.*

REED SMOOT, of Utah. The Senator from Iowa, as I understand his position, is in favor of Protecting the woolgrower.

Mr. DOLLIVER. Surely.

Mr. SMOOT. Then, Mr. President, I want to call his attention to the fact that if you lower the rates upon top waste, slubbing waste, and roving waste, every pound of that waste that enters this country will take the place of so many pounds of American wool, and you might just as well have no duty upon the greased wool itself if you are going to take it off the roving waste, the top waste, and the slubbing waste.

Mr. DOLLIVER. I do not propose to take it off. I propose to reduce it so that those who produce it will also have a little mercy in selling it. That is all I am talking about.

Mr. WARREN. Mr. President, will the Senator allow me?

Mr. DOLLIVER. Certainly.

Mr. WARREN. I think the Senator said he would be satisfied if there was wool enough here to buy a suit of clothes for every man once a year.

Mr. DOLLIVER. Yes.

Mr. WARREN. They are raising that amount of wool, and more, of clean, new, pure wool. Now, as to this matter of rags and its effect upon wool. The Senator will remember the Wilson-Gorman law of 1894, and he will probably remember it was not especially intended to Protect the sheep-

man or the wool manufacturer. That bill gave free wool, and yet, Mr. President, they put 15 per cent ad valorem upon shoddy and other wastes. They were careful enough and thoughtful enough, even when attacking the wool-grower and making his product free, to Protect in some measure the consumer by putting a duty upon wastes and upon shoddy.

But, even with that duty upon wastes and shoddy, and even with wool free, the importations increased over 2,000 per cent in one year after the passage of the law of 1894. We were importing annually in rags and shoddy something like a quarter million pounds, and before the end of the first year in which that law prevailed we were importing at the rate of over 17,000,000 pounds per year, and this, too, with the 15 per cent ad valorem on shoddy and with wool free.

### Sheep Flocks Are Increasing Enormously Under Protection.

*From the Congressional Record of June 10, 1909.*

THOMAS H. CARTER, of Montana. Under the Tariff of 1883 the domain of the American woolgrower was invaded by foreign competition to such an extent that our flocks were, as they always are under evil conditions, sent to the slaughter. Under the McKinley bill, which corrected the defects of the law of 1883, the number of sheep and the pounds of wool of American origin gradually increased. Under the Wilson Tariff law our flocks almost disappeared in open competition with the world. The cutting down of the flocks was cruel, constant, and disastrous to the American woolgrower.

When the Dingley bill was passed we observed an immediate return to a steady increase, and if this increase is continued for the next ten years, we will be producing in this country every pound of wool required for the clothing of the American people.

We do know that under the present law this great industry of supreme importance to all this country is prosperous; that our flocks are increasing in number; that they have increased from about 37,000,000 head of sheep in 1897 to about 60,000,000 head now; that our wool clip has run from something

like 200,000,000 pounds within the last ten years up to 311,000,000 pounds annually. The increase has been healthy and continuous under the existing law, which we hope to re-enact in the pending bill. With the fate of so many people, the fate of this great industry, hanging in the balance, I, for one, do not propose to cast the whole responsibility and practically the whole power to control this entire matter in the hands of any conference committee, if I can help it.

### Republicans Have Exaggerated the Relation of the Tariff to the Panic of 1893.

*From the Congressional Record of June 10, 1909.*

JONATHAN P. DOLLIVER. If I were called upon now, in the calm light of twelve years' reflection, to say that putting wool on the free list resulted in closing factories and destroying the flocks of the country and ruining the business of the country, I should hesitate to do it. It is a very wise man who can tell what was the cause of the industrial depression which burst in a panic upon the United States in all departments of its affairs in 1893. I have become satisfied that we, as Republican partisans, finding the argument too convenient, have exaggerated the relation of the Tariff controversy to that great industrial crisis. It always was a little difficult to connect the panic of 1893 with the Tariff Act of 1894, in view of the fact that the event seemed to precede the cause in such a way as to put almost any ordinary man upon suspicion. So I am not going to discuss that question except to say that we have already had two or three mistakes made in this bill by misinterpreting the industrial conditions of 1894, 1895, 1896, and 1897.

My honored friend from Idaho [Mr. Heyburn] the other day brought tears to my eyes when he was making his magnificent plea for putting a duty on certain mineral ores, because he said under certain Tariffs the mines were shut. We ought to know that the mines were shut, not because of certain particular Tariffs, but because the business of the country and of the world was long prostrate in the midst of financial disaster up to that time

unapproached in our commercial history. While all these things entered into it, I do not think that it was necessary to attribute all of it to the Tariff, and certainly not all the trouble that happened to lead and paint and the consumption of such merchandise to the little change that had been effected in Tariff schedules some years before. And so the closing of these factories and the falling off in the demand for sheep and a thousand things entered into it.

He is not a wise man in the interpretation of statistics or commercial and industrial history who attributes to one thing a result of world-wide significance, to the production of which a thousand causes, some of them too obscure even to observe, operated over a long period of time.

### Every Time the Tariff on Wool Has Been Lowered the Result Has Been Disastrous.

*From the Congressional Record of June 10, 1909.*

FRANCIS E. WARREN, of Wyoming. The Senator from Minnesota surely does not want to do the Western sheep man an injustice. There was a time when the Western sheep grower could take his flock of sheep and go out on the government domain. I want to assure the Senator now that for every sheep there is in Wyoming—and I think I can speak for Montana as well—there is an investment of from \$10 to \$15 in land, fences, reservoirs, and ditches, in machinery and hay and feed, and so forth; that is, there is a standing investment of from \$10 to \$15 for every sheep. Then comes the expense of running them. The public range as such is a thing of the past.

The Senator from Minnesota says that the wool in his State does not bring the amount that wool in the West does; that he is discriminated against. I do not know that Minnesota wools are given as such, but I assume that they would be given in the class of Michigan and Wisconsin wools. Am I right about that, I ask the Senator from Minnesota?

Mr. NELSON. I can not say as to Michigan wools, but I should think

they might be classed with Wisconsin wools.

Mr. WARREN. The wools of Michigan and Wisconsin are to-day bringing 50 per cent more than the wools from the West, pound for pound.

### *Too Many Revisions of the Wool Schedule*

The Senator talks about revision and says the wool schedule is an idol; that it never has been revised, and that it should now be revised. Mr. President, that is what has been the matter. The subject of wool and woolens has been revised and revised over and over again. More than twenty times it has been revised. That is the trouble. All these revisions have brought out a result, and that result is, of course, the ultimate success or nonsuccess of raising wool on the one hand and of manufacturing woolens on the other.

I am here to say that with all the twenty-odd Tariff bills that have covered wool and woolens, the only time when there has been success has been when the laws of 1864, 1867, 1890, and 1897 have been closely adhered to. Every time the rates have been lowered the result has been disastrous. For instance, in 1883 the woolman was not attacked upon the surface, but the manufacturer was attacked. Hence our wool went down in price and our sheep went to the slaughter; and at the end of a very few years we had lost 18 per cent of our sheep, our manufacturing were largely closed, and we were bringing in three or four times as much woolen goods from foreign countries as before, and bringing in, of course, much less unmanufactured wool.

### *The Woolgrower Simply Asks a Chance to Live.*

He asks a chance to supply this country with all the clothing that it needs; and until the time comes when he can do that, he asks that such wool as may be brought in here shall be in the natural condition, as near as possible, so that the labor of making that wool into goods shall all be performed in this country and this country shall get the benefit of it. You may place a barrel of water on that table where the reporters are working and drive the head in solid and drive the bung in solid until you think it is water-tight, but if there is a gimlet hole on

the other side, even if not seen, it will drain the entire vessel.

So if you open a place in this schedule on noils, and there are a dozen other, yes, two dozen other products—and when I say "products" I mean various stages of wool from the sheep's back to the cloth—that could be named, you reduce those duties and your importations all follow on the basis of the price that it costs to get it in as scoured wool.

So that we have had plenty of revision; we have had revision up and we have had revision down; we have had the duty on wool considerably higher than it is in the present Tariff; we have had the duty on woolen manufactures lower; we have had wool lower; we have been up and down; we have been from free wool up to 12 or 13 or 14 cents a pound; and we have arrived at that stage when, enlightened by experience, we know that, taking the duty as it is, with business adjusted to it, we can proceed so that the woolgrower and the manufacturer can both be successful; but undertake to revise it, and, with the diversity of opinion, it is manifest on its face that it can not be done at this juncture.

### *How Much Does the Tariff Add to a Suit of Clothes?*

Theories, of course, may sound good or bad, but it comes down to a simple, practical business proposition—how much does the Tariff add to a man's suit of clothes or the cloth from which it is made?

Mr. DOLLIVER. I think I have heard that argument. That depends upon the suit of clothes.

Mr. WARREN. It is very small.

Mr. DOLLIVER. Yes.

Mr. WARREN. And you talk about this malevolent Tariff and this—

Mr. DOLLIVER. I did not say "malevolent Tariff;" I said that a Tariff so framed as to have a malevolent countenance, although the purpose of it was benevolent and helpful and it ought to present such an appearance to the community.

Mr. WARREN. The Senator, dressed as he is, probably has not 3 pounds of wool upon his person.

Mr. DOLLIVER. I am very thankful for that. [Laughter.]

Mr. WARREN. I thought so. If a

possible \$1.33 Protective Tariff is too much to be levied upon a suit of clothes in order that we may employ in this country, as we do, a million people—families and all—in the raising of wool and hundreds of thousands more in the manufacturing of wool, rather than import all our cloths, then the Senator's judgment and mine differ.

Speaking of cloth, the cloth in the suit of clothes which I have on now cost a trifle over \$4, and I submit that the cloth is good enough to wear even in the august presence of this Senate. I ask the Senator if I am not right.

Mr. SMITH, of Michigan. We will all testify to that.

Mr. DOLLIVER. Let it be said that the Senator does not require a very elaborate suit of clothes to present an impressive appearance in the Senate. [Laughter.]

#### *The Amount of Wool in a Suit of Clothes.*

Mr. WARREN. The amount of wool in the suit of clothes I have on weighs less than 3 pounds. The cloth in it cost—and it is the best kind I could get; it is all wool, and there is no flock or mungo or waste in it—a little over \$4. The making of the suit was \$30, and the findings used cost \$12.50; so that the suit of clothes as it hangs upon me now cost over \$40, and yet the cloth, for which I paid the regular mill price, cost but a trifle over \$4. When you talk about a malevolent Tariff and talk about adding to the price for the workman—

Mr. DOLLIVER. I hope my friend will not allow that to go into the Record. I have not said anything about a "malevolent Tariff."

Mr. WARREN. Perhaps I misunderstood the Senator; if so, I withdraw it.

Mr. DOLLIVER. I was talking about a Tariff that had some disfigurement of its countenance.

Mr. WARREN. The Senator surely spoke of the enormity of the Tariff on wool and woollens. He will not withdraw that.

Mr. DOLLIVER. No; I really intend to illustrate it—

Mr. WARREN. I am illustrating it in my way, and I hope the Senator will illustrate it in his. If the Senator will figure out just how much the suffering consumer, who wears a suit of clothes like the one to which I have referred, pays in order to employ all

the men along the line, from the time the raw wool comes in here until the cloth is made into a garment, I think he will find that the Tariff on wool is a very small factor.

#### *Will It Pay to Reduce the Tariff on Cheap Substitutes for Wool?*

In extending the remarks that I made about the cheap clothing, I want to make this observation: It takes about the same labor to make a suit of clothing of very cheap goods that it takes to make a good suit; but, Mr. President, the poor suit of clothes made from shoddy, and so forth, may not give one-tenth of the wear that a good article gives.

I have here some samples of cloth. The mill price is on each one of them. They are about as handsome worsteds as you would care to see. They run from less than \$1 to \$1.12½ a yard. They are all wool; they are 56 inches wide; and it takes a little over 3 yards to make a single suit. If you buy a whole piece and take it to a tailor, it takes just about 3 yards to each suit if it is made up into ready-made clothing.

Mr. GALLINGER. Are they American cloths?

Mr. WARREN. These are American cloths. When you have got worsteds, about the best that are made and double-width, of which it takes 3 or 3½ yards to make a suit of clothes, a suit of clothes made from it will last a couple of seasons, perhaps. Is it not to the interest of the poor man, we will say, to make up a fabric that will cost him a dollar or two less for the cloth, as the making up costs the same? Will it pay to reduce the Tariff upon the cheaper material, upon the substitutes, no matter what the percentage is? I am not afraid of putting 100 per cent upon something that is not desirable, upon something as to, which we would have the thanks of every consumer if we should shut it out entirely.

Why talk about reducing the cost of cloth by reducing the Tariff upon cheap articles, when cloth like this can be bought for a little over a dollar a yard? It only takes to-day about 3 yards to make up a suit. What is the use of bringing in a lot of cloth that may only be one-fifth wool and

the balance cotton or shoddy or, for that matter, any other substitute? We are already Protecting the workman in this country who is making the cloth, and we are also Protecting his back and body by so providing that, instead of being swindled with a lot of cheap cloth, which dissolves when he goes out in the rain, he may have a first-class fabric costing a little over \$3 for cloth enough for a first-class suit of clothes?

### The Country Has Prospered Under the Operations of the Tariff on Wool.

*From the Congressional Record of June 10, 1909.*

THOMAS H. CARTER, of Montana. Mr. President, I was one of the auditors of the Senator from Wisconsin [Mr. LaFollette] last night, and heard him remark that the cost to the manufacturer of agricultural implements had increased, as far as steel products were concerned, over 100 per cent since the Dingley law went into operation. I could have assisted him somewhat on that in another illustration. The cost of wool has increased during the operation of the Dingley law 260 per cent, and measured by the price of wool today it has increased 275 per cent. The increase in the cost of the raw material was the difference between the conditions, doubtless, to which the Senator refers and conditions that have come to pass under the present law.

Mr. OWEN. I do not know whether or not the Senator from Montana intends to be humorous, but I should like him to make an answer to my question.

Mr. CARTER. I should like to know what the Senator from Oklahoma refers to specifically. I undoubtedly assume that the Senator has in his mind some peculiar phase of industrial life, where a particular by-product, or some article, is produced at 15 cents, for instance, and that the duty, according to his method of calculation of the matter, amounts to what—60 per cent?

Mr. OWEN. To 160 per cent.

Mr. CARTER. To 160 per cent; or the duty, for instance, on wool at 11 cents.

Mr. OWEN. The Senator evidently did not hear my question.

Mr. CARTER. I wanted to say to the Senator that the duty on wool, as the price stood with us in 1897, is now in the neighborhood of 200 per cent, and yet it is a perfectly fair duty and the country has prospered under its operations. In the case doubtless in the mind of the Senator the application of a duty of 100 per cent instead of 60 per cent would, by its fruits, justify the levy.

Mr. OWEN. Mr. President, I understand the Senator from Montana, in fixing the rates on the paragraph in question, not to be guided by the difference in the cost of production at home and abroad at all?

### Markets Have Been Highest When Controlled by Foreigners.

Mr. CARTER. Mr. President, the highest markets this country has ever been inflicted with, so far as the consumer is concerned, have been the markets when controlled by the foreign manufacturer and jobber. The Senator from Oklahoma well knows that when we shipped in iron rails here of English manufacture we paid \$130 a ton for them and more.

Mr. GALLINGER. We paid \$170 a ton at one time.

Mr. CARTER. Yes; at one time we paid \$170 a ton. We did not manufacture a single steel rail in this country. To-day, under this "oppressive Tariff" to which the Senator refers, we are buying the best steel rails manufactured in the world for about 15 per cent of the cost of the old iron rails.

Mr. President, in the production of a blanket the Senator wishes to make the comparison with the last man who touches the blanket in the factory. In order to estimate the cost of production it is necessary to go back to the sheep herder on the plains. That sheep herder in our competing country in South Africa receives \$3.66 a month, while out on the plains in this country he receives \$40 a month. Down in South Africa he receives a sack of corn and a sheep to board him for a month, while out in our country he must have as good a bill of fare as they give in the ordinary hotel in Washington, or he will not stay by the job. These differences from the beginning must be computed and considered, in order to ascertain the elements of cost,

### *The Cost of Maintaining the American Standard of Living.*

Mr. BACON. Does the Senator from Montana think that, in order that the sheep herders of Montana shall be furnished with board on the scale of a Washington hotel, the price of wool should be raised to all the consumers of the United States, so that that purpose may be effected?

Mr. CARTER. Mr. President, if you eliminate the sheep herder of the country altogether and cut out the 311,000,000 pounds of wool we contribute to the factories of the country, you will pay more for your wool than you are paying for it to-day.

Mr. BACON. But the Senator from Montana does not deem it wise to answer that question yes or no.

Mr. CARTER. Mr. President, the Senator from Georgia proposes to settle a great, far-reaching economic question with the answer "yes" or "no." That, I think, is one of the elementary difficulties with the Senator's school of political economy in dealing with these questions. Each matter is taken in an isolated state, without any reference whatever to the surrounding conditions and circumstances; for instance, the standard of living, the standard of civilization, the education of the people, the manner of feeding and clothing them in this country, we think ought to be maintained. The maintenance of the standard, however, embraces certain costs in every avenue of life and endeavor which do not apply to the rice-eating millions of China; yet, if the Senator's theory should be carried into effect, the cotton of Georgia and South Carolina, instead of being manufactured in that country into merchantable shape, would be shipped to China, where the labor determines the element of cost to the best possible advantage of anywhere in the world.

### *The Labor Cost of Materials.*

Mr. OWEN. Now, Mr. President, coming back to my question to the Senator from Rhode Island, he advised us that the labor cost of materials in the United States ran from 80 to 90 per cent. I call his attention to Carroll D. Wright's Table No. 430, on woolen yarns:

No. 430.—Woolen yarn: United States; 1897-98; unit, 1 pound; No. 1 yarn.		
		Per cent
		Amount of total.
Cost of labor in transforming materials . . . . .	\$0.0260	5.44
Cost of materials and all other items except labor. . . . .	.4522	94.56
Total cost . . . . .	.4782	100.00

That does not correspond with the view of the Senator from Rhode Island as to 80 per cent being the labor cost, and I should like to have him explain it.

Mr. ALDRICH. Mr. President, the Senator from Oklahoma entirely misapprehended my statement. I will repeat it for him. I said the cost of every material and of every product is from 80 to 90 per cent labor, I care not what it is—I mean in the last analysis. In making that computation, you have to commence, of course, with the ore in the ground, with the elemental unit of production, whatever it may be. Everything beyond that is cost of labor. That is the proposition that I make; and I think the Senator will have great difficulty in arriving at any other conclusion if he investigates the subject carefully, as I am sure he will.

### *Erroneous Ideas in Computing Foreign Labor Cost.*

I will repeat what I said the other day. If the Senator had been familiar with Tariff discussions, he would have been aware of the fact that this question of labor cost has always been injected and occupied a great deal of space in such discussions.

I want to say to him now that the labor cost at any single stage in this long process of manufacture has nothing whatever to do with duties, and can not be made to have. For example, take a jackknife. Jackknives are made abroad largely by farming out the different operations to people engaged in one particular process. For instance, one party might be grinding the blade, and it might cost a cent on that jackknife in one country and half a cent in another. That has nothing to do with the duties on jackknives. We are not dealing with a single part of or one process in this long series of operations any more than we are in yarns. It costs to pack yarns into boxes, for instance, a fraction of 1 per cent. Are you going to regulate the



duty upon the cost of packing? Certainly not. It costs something to run the wool through the different processes, from one to another. Are you going to take one of them and talk about the labor cost involved?

The whole scheme is ridiculous. It does not get anywhere practically. What we want to compare is the total cost of production in one country and the other and equalize conditions on the total cost of production; and that total cost of production, in the last analysis, as I have stated, and I will repeat it, is based upon the cost of labor. If labor costs 50 per cent more in this country than it does in another country, or double what it costs in another country, that relative cost of production in the two countries is governed entirely by the scale of wages all through the production and all through every part of the life of the nation. If you pay in Washington \$3 a day for a policeman and they pay \$1 in London, that difference of \$2, or \$1, or whatever it is, appears in additional taxes. It appears in the scale of living. It appears in the ultimate cost of production for every article; and the Senator will get back, I think, in the end to the proposition which I made the other day, that the ultimate cost of production of every article is 90 per cent labor; and if we live on a higher scale here, paying higher wages, we certainly, in the comparative cost of production, have to take all the wage scales of the United States into consideration. That is my answer to the Senator. . . .

#### *Would Be an Entire Revolution in the Wool Tariff Duties.*

The amendment of the Senator from Iowa contains two changes from the paragraph in existing law and as reported from the Finance Committee. First, it proposes to assess the duties upon the wool contained in these articles, which is an entire revolution and destruction of the wool Tariff duties. If we are going to assess the duties upon wool contained in these different articles, we might as well abolish the wool schedule entirely.

The second proposition of the Senator from Iowa is that no duty shall be assessed at over 100 per cent ad valorem. This amendment has been al-

ways offered whenever the wool schedule has been before Congress for consideration. Our friends upon the other side have always placed great reliance upon a proposition of this kind.

The duties upon wool sometimes in the nature of things amount to much more than 100 per cent ad valorem. That is inevitable. As I stated the other night, in suggestions upon another subject, with a specific duty on first-class wool of 11 cents, and going up gradually for washed and scoured wools, many times the duty levied for the Protection of the American wool-grower is more than 100 per cent ad valorem, and in cases like that, of course, it is necessary that there should be a compensatory duty which is greater than that which is imposed upon the wool. There are very few cases of this kind in any event, but if we should undertake to adopt this proposed paragraph as it stands woolen goods would be imported into the United States instead of wool.

#### *Improper Adjustments in 1883 and 1894.*

We have had experience of that kind several times in our history. In 1883 and in 1894, by an improper adjustment between the wools and woolens, all the wools were imported into the United States in the form of wool goods, and the woolgrowers of the country were relegated to a condition which I will not undertake to describe, but which the Senator from Montana [Mr. Carter] described this morning in very eloquent terms.

No; this amendment is only another disguise for breaking down the wool and woolen paragraphs by the use of terms which look well upon their face, but which are in effect destructive of the wool Tariff.

#### **Old Trick of Free-Traders Fore-shadowed in Senator Dolliver's Speech.**

*From the Congressional Record of June 10, 1909.*

BOIES PENROSE, of Pennsylvania. I ask unanimous consent to have the Secretary read the resolutions of the Manufacturers' Club of Philadelphia, which I send to the desk.

The PRESIDENT pro tempore. The Secretary will read, as requested, there being no objection.

The Secretary read as follows:

Manufacturers' Club of Philadelphia,  
Office of the President.

Whereas the existing Tariff law relating to wool and woollens, in conjunction with the general prosperity maintained by the Protective system, has so developed woolgrowing and woolen manufacturing that we now produce about three-fourths of the wool and 95 per cent of the cloth required for clothing the American people, which clothing they buy at very moderate prices, as is evidenced by the fact that they wear more and better clothing than any other people; and

Whereas the old trick of the Free-Traders of endeavoring to separate the woolgrower from the manufacturer by changing the equitable arrangement of Schedule K in such manner as to admit into this market foreign products of wool at less than relative duties placed on raw wool, thus destroying the woolgrowers' market, is foreshadowed in the recent speech of Senator Dolliver of Iowa; Therefore

Resolved by the board of directors of the Manufacturers' Club of Philadelphia, That we call upon all Senators and Representatives in Congress who are loyal to the Republican party and its platform to stand unswervingly for the wool and woollens schedule as it now is in the Senate bill.

N. T. Folwell, President,  
[Seal.] Elmer P. Weisel, Secretary.

### **With Proper Protection We Will Be Able to Furnish All the Wool That Is Necessary in This Country.**

*From the Congressional Record of June 10, 1909.*

PORTER J. McCUMBER, of North Dakota. Is the duty upon the wool itself too high for reasonable Protection to the American farmer or woolgrower? I went into that subject the other day, and I think I showed conclusively that it was not too high; that we have not yet recouped the losses that we incurred during the time when it was lessened; that we had to almost go out of the business of sheep raising in my State.

Believing that the farmer's Protection is not too high, we are then brought face to face with the question, Can we reduce the manufacturer's Protection without injuring the farmer? Every farmer in this country who raises sheep understands that the

value of his product is always determined by the amount of wool raised in this country and the amount imported into this country. The less the imports the greater the demand for and the value of his wool product, and the greater the imports the less the demand and value.

Therefore, if we give the farmer adequate Protection, so that, we will say, there is imported into this country only \$135,000,000 worth of wool, and if we take away the differential from the manufacturer, so that instead of importing wool he imports \$200,000,000 of woolen goods, does not the farmer suffer the same result as though we had lowered the Tariff upon his own products and allowed more wool to come in?

In other words, if we introduce \$200,000,000 worth more of woolen goods, we introduce a proportionately greater amount of wool, which is in those goods, into the country and thereby depress the market for the American woolgrower.

### *It Is Just as Bad for the Farmer Whether the Wool Comes in Raw or in Woolen Fabrics;*

There is just so much more wool in the country to depress the price.

Mr. President, it would be just as reasonable for me to stand here and insist that while the Senate should give the farmer a Protection of 30 cents a bushel upon his wheat, at the same time we should take away the Protection upon the flour and let the flour come in and take the place of his wheat. I certainly would fail very materially to perform my duty if I did not insist upon a duty on the flour which would be as much greater than that upon the wheat as will measure the difference between the value of the wheat and the value of the flour. I can not excuse myself in attempting to represent the farmer honestly and fairly if I excite his hope that I will keep out the Canadian wheat by reason of the 30-cent-per-bushel barrier and at the same time allow the Canadian wheat to come in in the shape of flour. What I have said with reference to wheat would also apply to the case of flax if I should cut off the duty upon linseed oil, the product of the flax.

### *The Farmer Needs Both Duties.*

What I wish to make clear to the Senate and to those farmers who may read any portion of these debates is that the farmer's Protection depends upon the Protection to both the raw wool and to the woolen textile trade in the United States. Not only from concrete reasoning upon the subject, but from past experiences, he can see that his product has gone up or gone down just in proportion as the prosperity of the manufacturer has gone up or down. Then taking these averages—and I have shown conclusively by the records that the average Protection is only 67 per cent for the manufacturer and that he pays 42.85 per cent added cost for the wool that is imported and goes into his manufactured fabrics, over and above what he would pay if wool were free, and that the difference between the American cost and the British cost is such as to render it necessary to have that much of a spread between the Tariff on the wool and the Tariff on the cloth manufactured from it—I feel that I am Protecting his interest only when I vote for a duty, on an average, I say, that will represent this difference between the cost of his manufactured article in the foreign country and in this country.

### *No Reason Why We Should Not Produce All the Wool Needed.*

Mr. President, there is just one other thought in connection with this matter that I wish to present. There is no reason in the world why we should not produce in the United States all the wool that is necessary to manufacture in the United States the same as we produce all the wheat in the United States that is necessary to manufacture into the flour in the United States. Why do we not do it? We do not do it simply because the woolen industry has not paid. Whenever we can so Protect the woolen industry, both the farmer and the manufacturer in the United States, that the woolen industry on the farm will pay more for the labor that is employed in it than the wheat produced by the same labor, the farmers will go into raising more sheep and less wheat, and the result will be that we will be

able to furnish all the wool that is necessary for use in this country.

### **Half a Million Sheep Farmers Urge Adequate Protection for Wool.**

*From the Congressional Record of June 10, 1909.*

FRANCIS E. WARREN, of Wyoming. Mr. President, the Senator who has just yielded the floor [Mr. LaFollette] introduced some matter earlier in the evening that referred to the woolgrowers, and so forth. I have here a telegram just received from the National Wool Growers' Association, and as it contains but a few lines, I ask that it be read.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

Cheyenne, Wyo., June 9, 1909.

Gen. Charles H. Grosvenor,

Washington, D. C.:

The National Woolgrowers' Association, representing over 500,000 sheep farmers of the United States, requests that you transmit to each Member of the United States Senate the earnest request that he support Schedule K duties on wool and woolsens, as reported by the Senate Finance Committee. Any revision of these duties downward will destroy an industry employing more than 3,000,000 hands in growing and manufacturing wool.

The National Woolgrowers' Association,  
Geo. S. Walker, Secretary.

Mr. WARREN. The question I wished to ask the Senator from Iowa was whether the Senator could cite us to a continuation of successes on the part of either manufacturers or woolgrowers that would be proof that either one of those avocations have been overprofitable, taking them from the foundation of the business in this country to the present time or for any considerable length of time. Back in the Senator's remarks where he was dealing with profit the question was apropos, but it has been deflected by the interruptions.

### *Not Many Rich Men in the Sheep Business.*

I merely want to make this observation, and I will not ask the Senator to answer it unless he desires. I think you may start at the Atlantic and go to the Pacific, and from the Canadian line to Mexico, and you will hunt in

vain to find any over-rich men or corporation, any multimillionaires who have been engaged in the sheep business. I think you may start following the same lines, and you will find very few, if any, multimillionaires who made their money in the manufacture of woolens. There have been years when the manufacturers of woolens have made large profits, and there have been years when they made losses, and submitted the figures to show it. I submitted the figures a day or two ago regarding the largest woolen manufacturing company in this country, and it is a manufacturer of both carded woolens and worsted. The statement shows that this corporation has never paid dividends upon any of its stock, except 7 per cent per annum upon its preferred. The company has had at times, covering the ten years or so of its existence, a surplus varying from nothing to perhaps 15 per cent of its capital. It has taken from or added to this each year, according to whether the business made losses or gains. For the year 1908 it had to take over \$1,200,000 from the surplus in order to meet the 7 per cent upon its preferred stock, and the remaining surplus is doubtless less than what ought to be charged out as depreciation of plant.

#### *Heavy Losses Under the Wilson-Gorman Law.*

Now we will turn from the manufacturer to the sheep grower, and I will speak of that which I know, because I was present at the board that made the necessary entries in the books, to distribute dividends or assess losses. In one case it was a profit and in the other a large deficit. The same people, interested together in sheep growing and doing business in the same way, under the law of 1867, made, in a five years' run, 180 per cent, and divided that among those interested in the business.

The same people, with two or three more added at a later date, and doing business in the same way, only on a larger scale, wrote off their books in one entry six hundred and fifty-eight thousand and some dollars, as a loss occurring in less than four years because of the Wilson-Gorman law. On the average that concern has not made

over 6 per cent per annum upon its money from the time it started to the present date, and yet it could be truthfully reported as having made thirty-odd per cent per annum not for one year alone, but for three or four years successively in one particular period.

I look at general results. If this country were filled with multimillionaires, if we had a wealthy class of that description grown up out of the manufacture of woolens, it would show that it had been a profitable business, an overprofitable business, but I have not seen any figures and I can not find any, and I do not believe any Senator can submit any that will show that that industry as a whole, covering a period of years, has made anything more than a reasonable interest upon the capital invested.

#### **Proposed Reductions Would Put the Wool Growers of the United States at the Mercy of Their Competitors Abroad.**

*From the Congressional Record of June 11, 1909.*

NELSON W. ALDRICH, of Rhode Island. Mr. President, the suggestion of the Senator from Iowa [Mr. Cummins] was more or less to the effect that the Committee on Finance has not properly considered this schedule. He also suggested that the amendments which have been offered were in the nature of reform amendments. I do not intend to take the time of the Senate to discuss but one of them, and that the amendment upon which the Senate has voted providing for the imposition of a duty of 45 per cent ad valorem upon wools of the first and second class. I say—and I think I will be able to show—that this amendment is in violation of the platform declarations of both political parties and of every political party; that it violates the theory upon which the Protective policy is based; and it also violates the theory upon which Free-Trade or Tariff reform is based. The effect of this amendment upon wools of the first class is to practically reduce the duties one-half. The effect of the amendment as it applies to wools of the second class is to increase the duties considerably, at least

2 cents a pound upon the basis of the importations of last year.

The Protective theory, as we have always supposed and as it has always been voted for in the Senate, is based on the idea that the duties should be equivalent to the difference in the cost of production in this country and abroad. The duty as proposed by the amendment to which I now refer, so far as it applies to first-class wools, puts the woolgrowers of the United States at the mercy of their competitors abroad.

A few years ago foreign wools of the first class were offered for sale in this country and sold at a price of from 10 to 11 cents. Forty-five per cent of that is from  $4\frac{1}{2}$  to 5 cents a pound, instead of 11 cents, as imposed by the law and imposed by the committee amendment— $4\frac{1}{2}$  to 5 cents a pound at a time when the woolgrowers of the United States were threatened with destruction on account of the incursions of foreign wools. At such a time as that, if we were to have a change in the rates, it ought to be an increase, instead of a decrease.

#### *Would Reduce One-Half in the Name of Reform.*

The amendment takes this duty of 11 cents a pound, in other words, a specific duty, such as has been imposed by all Protective Tariffs from time immemorial, and reduces it in the name of reform one-half.

Senators may say that is a very exceptional case. Within a few years cross-breed wools have been quoted in foreign markets at 9 cents a pound. By this amendment the duties would be reduced from 11 cents a pound to between 4 and 5 cents. I have on my desk the present quotations of foreign wools in the last number of the London "Economist," which has just reached here, showing that the average price of grease wools from the Cape is from 7 3-4 to 8 pence per pound, or in the neighborhood of 15 or 16 cents. Forty-five per cent of that would be a duty of from 6 to 7 cents a pound, instead of 11 cents a pound.

These wools do not come to the United States in competition with our wools now. Why? Because Congress in its wisdom has erected a barrier to

keep them out. None of them are now imported. For whose benefit? For the benefit of the woolgrowers of the United States.

These Cape wools, as I have said, are quoted at from 7 3-4 to 8 pence. I have before me also a statement of the price of South American wools for the December sales of 1907, the only figures available. The sales averaged from 4 3-4 pence to 8 pence, and the highest price of the whole lot was 8 pence per pound, or less than 16 cents. I use round figures for illustration. That would mean a duty of 7 cents a pound, instead of 11 cents. The duties on all the wools upon which it is the policy of Congress, and always has been the policy of Congress, to impose Protective duties are proposed to be reduced nearly 50 per cent by this amendment, which has received the votes of Senators upon both sides of the Chamber.

#### *How Are They Going to Explain Their Votes?*

I should like to know what my friend from Iowa [Mr. Cummins] and my friend from Indiana [Mr. Beveridge] are going to say in their Protective speeches in this country. How are they going to explain their votes in reducing the Protection which is afforded the woolgrowers of the United States from 40 to 50 per cent by their action in this matter?

My votes on this schedule and upon this bill certainly will need no explanation to myself, and I am quite sure that they will need no explanation to my constituents, to whom I am directly responsible; but I say again that those Senators who are Protectionists, who have been especially insistent that the farmers of this country should be Protected by Tariff duties, and who have been appealing to the farmers who have sheep, who produce wool, and who are entitled to Protection in every community of the land—that those Senators, for the purpose of trying to bring about a reform upon the Tariff bill which is now under consideration and to secure revision according to their ideas, are found voting here for reducing the duties practically one-half upon wool which comes in direct competition with the woolgrowers of

the United States. The Senators can explain that vote as they please to their constituents or to anybody else; but I am stating the facts as to what their votes have done, and they will not be able to explain that.

*Reform Ought Not to Be Carried on in That Way.*

I am suggesting to our friends upon this side of the Chamber who voted for this amendment that reform of a Protective Tariff ought not to be carried on in that way. We are here bound by every obligation of our platform, by every obligation that we have as Senators loyal to our party and to its principles, loyal to the principle of Protection—we are bound, in my judgment, to resist all efforts of this kind, even if they are made in the name of reform, and if, as they think, they are pledged to vote for a downward revision. This is not the spot, gentlemen, for a downward revision by which you will take away from the woolgrowers of the United States one-half the Protection which the policy of our party and which every enactment for Protection, has always included. I say, gentlemen, it is easy to carry this talk of reform and of downward revision to an extreme which will destroy the confidence of the people of the United States that we intend to maintain the Protective policy at all.

**The Retail Price of Cloth and Clothing Does Not Follow the Rate of Tariff.**

*From the Congressional Record of June 12, 1909.*

FRANCIS E. WARREN, of Wyoming. The woolgrower gets his greatest benefit when the Tariff is so adjusted that little or no manufactured goods come in as unmanufactured wool.

Of course the ultrafashionable tailor and the ultrafashionable wearer will continue to demand a small importation of woolsens of foreign manufacture. "It's so English, y'know," or "so French," or "so German." But that species of American is daily diminishing, and a few single suit patterns are now sufficient to supply the de-

mand, whereas whole pieces or bolts of cloth were formerly necessary.

The retail price of cloths and clothing in this country need not depend upon, and does not follow, the rate of Tariff on cloths, because the competition in our woolen manufacturing and woolen trade in this country has always been keen and there is every prospect that it always will be.

The retail price of woolen fabrics to the consumer is that of the cost of the wool, the cost of the labor, and a reasonable profit to manufacturer and dealer, which can not be much if any more—and is often less—than the ordinary commercial rate of interest on money invested.

We have had more than a score, if I have counted aright, of Tariff laws regarding wool and woolens. The rate has been up and down; and so far as the sheepman, the woolgrower, is concerned, he has been buffeted about by these changes in the Tariff. He has come to know that what affects the manufacturer affects the woolgrower, because the woolgrower in this country has no valuable market except this market; and if the manufacturers by legislation are placed upon a footing where woolen cloths come into this country to compete with wool grown here, indeed, the woolgrower in this country is without a market.

The woolgrower asks to have a Tariff that shall not be tinkered with up and down continually; that it shall be "live and let live;" that it shall be one under which the manufacturer can succeed; and then that the additional wool needed in this country shall come in as far as possible in the condition of raw wool instead of manufactured goods. You may say that it does not affect the woolgrower whether wool comes in or cloths come in. The woolgrower, if he is an American citizen of spirit—and he usually is—desires to have at every step the greatest employment for American labor.

In the woolgrowing industry there are not less than a million people, farmers and all, interested. I will not undertake to say how many are interested in woolen manufacturing, but right here in the neighboring city of Philadelphia there are, if I am cor-

rectly informed, more than 75,000 operatives in woolen mills. Those 75,000 operatives, with their families, make a very considerable population in that city and in this country. If you grow wool here or bring in as wool what you need, those men are all employed and their families all supported from that industry. If you bring in the cloth, those 75,000 men are out of work, and they naturally crowd into other vocations, and therefore the men in the other vocations are crowded out, wages go down, and many men and women are without employment.

### *Was There an Agreement?*

It has been said with a sneer that the woolen manufacturers and the woolgrowers have made some agreement. Well, in all sincerity, I ask whether that is a proper thing, or whether they ought to have each other by the throat? What good can come of the woolgrower and the woolen manufacturer fighting each other? It has been tried. There have been many years in the past when the manufacturers and the woolgrowers were at variance; but it has never transpired that either industry was fully successful, except when there was some reasonable element of harmony.

### *The Interests of the Grower and Manufacturer Are Mutual*

in the desire that all the needed imported wool material may come in an unmanufactured state. Hence, the advantage of Tariff must be so laid. The farmer must receive sufficient Protection to keep his flocks from decreasing. The manufacturers must have high enough duties on cloths so that, after absorbing the home product, they can draw upon other countries for raw material and be able to compete successfully with the foreign manufacturer, who is struggling for this American market—the best in the world with reference to the consumption of wool.

### *Decrease of 20 Per Cent in Three Years of Free Wool.*

Now, following up this subject a little further, we had in this country in 1894, 45,048,017 sheep, valued at \$89,186,110; in 1897, 36,818,643 sheep, val-

ued at \$67,020,942, showing a still further decrease of over 8,250,000, or nearly 20 per cent, in the number of sheep, and a decrease of over \$22,000,000, or 20 per cent, in the value in the three short years intervening between the Tariff law of 1894 and that of 1897.

And this much for the Willson-Gorham Tariff act of 1894.

In fact, Mr. President, the numbers and values of sheep have moved up and down with favorable or unfavorable Tariff legislation much the same as the mercury in the thermometer moves with the change of weather, the one being about as sensitive as the other.

### *Without Protection the Industry Can Not Be Increased.*

No doubt it is thought by many of the growers that the present Tariff rates and the rates proposed by the Senate committee are not sufficient and adequate; but I have believed, and I still believe, that, with the rates as proposed, although not as perfect as might be desired, the industry can be sustained, the numbers of sheep increased, and the quality of our wool greatly improved.

But there is one thing certain—without Protection, or with less Protection than that proposed in this measure by the amendments of the Senate, we can not increase the industry of woolgrowing, and we shall go down hill in the production of wool and mutton, as we have done heretofore, when the Tariff has been insufficient upon either wool or manufactures of wool. The grower is affected by either one or both. If the manufacturer's business is made unprofitable the grower can not produce and dispose of his product with profit.

Now, all of this being true, we ask the question: Is the industry of growing mutton and wool of value to this Nation? Is the United States ready to allow that industry to perish, or to diminish into unimportance, and then take its chances in peace or war of purchasing all the product required for our home manufactures or bringing into the country the manufactured product necessary for this great people, who consume a fifth of all the wool grown in the world?

### *No Trust in Handling Wool.*

There has never been and can not be a successful trust or combination for handling wool. It can not be graded and sold upon grades and speculated in like wheat or cotton, because there is a certain individuality about wool, and it has so many requisites; there may be so many excellencies or deficiencies and so many contingencies, that every lot must be sold upon its own merits, varying greatly in different seasons from the same locations and flocks. It is true that in grading and sorting houses the fleeces of A, B, C, and D, can be assorted into different grades by actually handling each fleece of wool, but a combination of the clips of the same growers for the following year might present a different quality and a different condition, owing to many contingencies, such as good or bad weather, drought or flood, sufficiency or shortage of feed, method of shearing and caring for, and so forth.

As to the manufacturing of wool, it is true that one concern has been made up of 28 different companies; not a holding company handling the 28 different corporations, but one company which holds in fee simple all of this number excepting one or two, in which it holds all of the stock. This concern has been doing business some ten years, and probably never has reached a point of manufacturing 20 per cent of the output of the woolen mills of the country, and 8 per cent to 15 per cent would be nearer the mark, the average being about 12 per cent.

I do not want to enter at this time into the question of trusts and great combinations, but if there is any line of business on this earth that is a hard one for the trusts to get into and manipulate and control, it is the manufacture of wool.

### *No Solicitude Needed for the Fashionable Tailors.*

If fashionable tailors want to have upon their shelves, as they do to-day, a lot of cloths for gentlemen who wish to pay any price asked for a suit and do not want any other man in the country to have a suit like it; if tailors want to send abroad and order a certain number of pieces, each

for one suit of clothes, and put them upon their shelves and charge fabulous prices for making them, that is a matter between the fastidious wearers and the tailors. We need not care how much they pay for such clothing if we are able to furnish, in the meantime, all necessary clothing for the poor and rich alike, and leave no necessity for bringing in woven material in woollens. We certainly injure no workingman, no consumer, regardless of what that Tariff may be, because the relation of capital to labor and the relation of the industries to cash-seeking, interest-paying investments, have always made, and always will make, in this industry, a competition that will render it impossible for the cloth manufacturer to get more for his cloth on an average than what will just about pay the interest upon the capital invested.

### **When They Want to Say Bad Things About 'Protection They Begin by Saying "I Am a Protectionist."**

*From the Congressional Record of June 12, 1909.*

NELSON W. ALDRICH, of Rhode Island. The universality of the support of the Protective policy in the United States is nowhere better evidenced than when a man in undertaking to criticise the doctrine announces himself in the first place as a Republican and a Protectionist. All through this discussion, and the things that are collateral to it, that has been the main statement of everybody who wants to say any bad things or any disagreeable things about either the policy or the party. He prefaces his statement by saying "I am a Republican and I am a Protectionist." I have no doubt this man is as far from a Protectionist as any man can be. His statement shows that very plainly.

It is not incumbent upon me, I suggest to the Senator from Georgia, to read all the newspaper articles or listen to all the statements that are made throughout the United States with reference to the wickedness of Protection as a policy or the high rates that are imposed by this or any other legislation. We are here to discuss, I assume, in a practical way the terms of the bill which is now under con-



sideration and to try to ascertain whether it is fair and proper in its provisions, having in view all the time the fact that we intend to pass a Protective measure. If the Senator from Georgia has any idea that, so far as I am concerned, we intend ever to pay any attention to statements and articles like that he has just read, whether they are in the press or are statements made in this Chamber or out of it, he is very much mistaken.

### Wealthy Art Buyers Can Afford to Contribute Something to the Needs of the Government.

*From the Congressional Record of June 12, 1909.*

KNUTE NELSON, of Minnesota. I want to say to the Senator from Montana that I have noticed in the papers—and I think it is a general idea among the public—that there are certain big millionaires in New York City and other places who are purchasing a lot of foreign paintings and works of art, and they are very anxious to get their collections in free. It is a very laudable enterprise, and the only view that strikes me in the matter is, in the first place, that those men who are so well supplied with funds and have become so wealthy, who import these works of art, paintings, can afford to contribute something to the needs of the Government. In the next place, the more you import of these, the more you enter into competition with our own artists.

There is another fact. I do not want to be held up as a barbarian from the wild West. If there is anything I enjoy it is a fine painting. I never go to New York but that I go up to Central Park and visit that fine art gallery. I am reminded of an incident that occurred some years ago. I was going up one of the corridors of the museum, and on the wall there was a fine lot of paintings of the Flemish school of the seventeenth century—barnyard scenes; elegant; in the finest colors; lifelike. A stout old lady, with a black silk dress on, and her daughter were there. They had more jewelry and diamonds than my whole farm and possessions in Minnesota are worth; and as they were go-

ing up the old lady got her eye on that picture and she said, "Julia, do you notice how that pig curls his ears." That was the one thing which struck her in that important picture, while I, a rude barbarian from the wild West, stood there and admired that picture as much as any picture in that noble art gallery.

I make these remarks because I do not want the Senator from Massachusetts, or any one else, to understand that I am opposed to art. But I believe that the men who procure paintings abroad and pay high prices for them, which is to their credit—

Mr. GALLINGER. And hold them in storage.

Mr. NELSON. And hold them in storage waiting for this legislation—I think, in view of our depleted revenues, in view of the importance of having sufficient funds to run this Government, and I am anxious in that respect to aid the Senator from Rhode Island, we ought to make these gentlemen pay a small duty when they bring in these articles.

### Tariff on Art Is a Tariff on the Rich Who Can Afford to Pay.

*From the Congressional Record of June 12, 1909.*

JOSEPH M. DIXON, of Montana. The beautiful pictures that Senators draw of the multi-millionaire pork packers and copper kings who go to Europe and collect great galleries of paintings and works of bronze and of marble is nice. We are delighted to have great multi-millionaires, when they are through with works of art in their lifetime, turn them into some public gallery for the instruction and edification of the public. But the truth is, Mr. President, that not a single picture, that not a single collection of works of art that has been mentioned on this floor has been kept out by the duty. The small duty heretofore placed on these things has not in any way deterred the multi-millionaires from bringing them into this country, and the continuation of the present duty will in no way on earth in the future prevent these same men, who are ready to spend millions of dollars in the purchase of these arti-

cles, from paying the small duty when brought into the home country.

But that is not the crux of the situation. Where one painting or one work "in bronze, marble, terra cotta, parian, pottery or porcelain, artistic antiquities, and objects of art of ornamental character," eventually finds its way into a public museum, the great wealthy classes of the country will import a hundred pieces of art for their own use in their own homes. The people who buy these articles of luxury may do it in isolated cases for a public museum at the end of their lives, but they are bought for the purpose of decorating in great and artistic profusion and wealth their own palaces at home. Ninety-nine articles are imported for that purpose where one goes into a public museum.

For that reason I do not see how we can defend the Tariff bill which we are now passing with an average duty of 40 per cent on the ordinary things of life, when we absolutely throw down the bars to the men who can afford to pay, who will pay, and who will not import a single piece of antique furniture or high-priced bronze or high-priced marble more than they would do if these things still remained on the dutiable list.

### Who Is to Determine the Margin of Profit Which Our Producers Should Have?

*From the Congressional Record of June 14, 1909.*

ALBERT B. CUMMINS, of Iowa. We have been treating our Tariff and our platform at times as though the measure of Protection was simply the difference between wages, or the efficiency of labor, if you please, at home and abroad. That is not the test. It never has been and it never ought to be. Our test of Protection is a duty that will enable the domestic manufacturer to meet his rival in the markets of his own country successfully and carry on with a fair profit the enterprise in which he is engaged. That measure of duty involves a consideration, not only of the difference between the cost of labor at home and abroad, but it involves a consideration of the difference between the cost of

materials at home and abroad; and it is just as essential to Protect our manufacturers against the added cost of material as it is to Protect them against an added cost of labor, if they are to meet their competitors in our markets successfully.

Mr. HEYBURN. I should like to ask a question. I think I will first take occasion to say that the presentation of the question by the Senator from Iowa this morning is the clearest presentation of his position, and the position of his party and those who control it that has been made. How much of a margin would you give the American manufacturer in the field of the production of wool and in the field of the manufacture over and above the even balance between home and abroad? That is the interesting question.

Mr. CUMMINS. That margin of balance can not be defined. It is better determined by experience than by the attempt to express it in a definite percentage.

Mr. HEYBURN. We would have to do it.

Mr. CUMMINS. Precisely; and it is, therefore, a matter of sound judgment. It must be remembered, however, that the foreign manufacturer must make profit as well as the domestic manufacturer. The end to be sought, after all, is the meeting of the two manufacturers in our markets, with an advantage on the side of our manufacturer. That is the rule which should be applied. It is the rule which I recognize and have attempted to enforce in every vote I have given in this Chamber and in every word I have attempted to express upon the subject.

### *The Producer Should Fix the Margin of Profit.*

Mr. HEYBURN. Mr. President, that brings us to the question as to who is to determine what is the margin of profit which our producer, whether he produces the raw material or the manufactured product, should have as against the foreign competitor, and who should fix it. I contend that the producer should fix it. There has been a contention here that we should fix it through the medium of the duty.

Mr. CUMMINS. Mr. President, therein

lies the difference between the Senator from Idaho and myself. I say it is the duty of the Senate to fix that difference. It is inseparable from the duty that is involved in the making of a Tariff law. We must derive our information from every source from which we can obtain it. It is not fair to accept the statement of the domestic manufacturer without allowance. It is not fair to accept the statement of one who desires to import goods into our country without allowance. We must try that question precisely as we are compelled to try all questions, and give to it our most intelligent, dispassionate, and impartial consideration, and reach a judgment upon it giving, I agree, the benefit of the doubt to our own manufacturers.

#### *Foreign Competition as a Regulator of Domestic Prices.*

Mr. HEYBURN. Would not such a bill be correctly entitled "A bill to Protect the foreign competitor against the American producer?"

Mr. CUMMINS. Mr. President, on the contrary, it would be a bill named just as this one is named—a bill to give to our manufacturers our market, provided those manufacturers are willing to occupy it with a fair and reasonable profit upon the ventures in which they are engaged; but if they are not willing to take our market without advancing their profits beyond a fair and reasonable allowance upon the capital which they have invested in their enterprises, then they have no right to occupy it, and it is the highest patriotism to invite somebody else to occupy it if our own manufacturers and our own producers will not do this simple justice to those who must use and consume their products.

#### *A Great Many Things That Are Not Protected.*

There are a great many things that are not Protected, as I view the situation. I know that my friend, the Senator from North Dakota [Mr. McCumber], does not agree with me in respect to these things; but I do not believe that we in Iowa receive any direct benefit for the 400,000,000 bushels of corn that we raise every year; I do not believe that we receive any direct benefit from the duty on the

8,000,000 or 10,000,000 hogs that we market every year; I do not believe that of the \$700,000,000 of agricultural products that we pour every year into the channels of trade Protection advances the price of a tithe of them.

I want Senators to remember that I come from a State that probably puts more in value into the channels of trade every year than any other State of the Union in agricultural products. We will this year supply the people of the United States and the people of the world with a product that will surpass in value \$700,000,000, and it is idle for even any enthusiast to assert that the price of these products is directly affected by the Protective Tariff.

#### *Where Protection Helps the Agricultural Producer.*

We are benefited, however—and I want, in passing, to acknowledge the benefit, for I am just as firm a believer in the policy of saving our own markets as one who may live in New England, in New York, or in California—we are benefited because Protection creates a great, prosperous multitude of men and women and children in America who use our products, who are able to buy them, and who are able to pay for them. If, instead of exporting from the United States something like \$800,000,000 in a year of agricultural products, we were compelled to export practically all, or a very large proportion of the things which we produce of that kind, then the price in America would be very much less than it is now for all of them. I want no man to be able to accuse me of any infidelity or want of allegiance to the doctrine of Protection simply because we are not directly and immediately advantaged by the Protective law. But here is a point where Protection does help the agricultural producer. It adds just that much to the value, to the price, of his yearly output of wool.

Mr. HEYBURN. Before passing to it, is it not well to inquire whether or not you would place the English merchant with his cloth on an equal footing with the American merchant? Would you not give the American merchant a margin of profit which should not be fixed by the English merchant?

Mr. CUMMINS. Certainly.

***Would Handicap the Foreign Competitor.***

Mr. HEYBURN. I understood the Senator's statement to be that they were to be started evenly under the law. I would not start them evenly, and I would not allow the foreign merchant to fix the price or the profit of the American merchant.

Mr. CUMMINS. I am getting them ready for a start. I have not yet started them. I will start them presently. You will see we have handicapped the foreign competitor.

There has been a very great deal of inaccurate talk on this floor with regard to the effect of Tariff duties, both on the other side of the Chamber and upon this side of the Chamber. It is not true, as we all know, with regard to a great many of the articles upon which a duty is laid that the price is enhanced or advanced by the measure of the duty. That is perfectly evident everywhere. It is, on the contrary, just as evident that there are some things upon which, if a duty is imposed, the price is increased by just the amount of the duty.

There is no general rule that can be applied to the case. For instance, suppose that you put a duty of a dollar a pound on cotton, it would not raise the price of cotton one hair's breadth. Why? Because we produce more cotton than we consume, we export a large part of it, and the price is fixed in the markets of the world. With regard to wool, we produce much less wool than we use. We necessarily import a large part of that which we consume. Therefore the price of wool is fixed by the import into the United States, and the imported price is increased by the amount of duty levied upon it.

Mr. WARREN. If the Senator will allow me, the same will be as true of wool as of cotton when we have arrived at the same point and have sheep enough to furnish a full supply of wool.

***An Easy Thing to Destroy a Schedule.***

Mr. ALDRICH. I think the Committee on Finance would have no difficulty in destroying this schedule. That is not a difficult task at any time. The most delicate mechanism, all the crea-

tions of the human mind and human thought, built up, perhaps, as the result of ages of study and investigation, can be destroyed by a single blow. It does not take a sledge hammer to destroy the mechanism of a watch; it is an easy thing to do. But when a man undertakes to produce a watch—I am only using that as an illustration—he is dealing with a matter which requires great skill, infinite patience, and great judgment in every direction.

We are approaching this subject, I think, with all due deference to the Senator from Iowa, from entirely different standpoints. I am desirous of preserving to the American farmer a market for his wool in the United States.

Mr. CUMMINS. So am I.

Mr. ALDRICH. I am in favor of preserving to the people engaged in the manufacture of wool in the United States a market.

Mr. CUMMINS. So am I.

Mr. ALDRICH. But I am not willing to try experiments, and especially I am not willing to try any experiments along the lines of the suggestions which have been supported by the Senator from Iowa on the pending proposition.

***Who Are the Dissatisfied Ones?***

And the woolgrowers of the country—I make the statement without fear of contradiction—are satisfied with the present Tariff. The woolen manufacturers, with the exception of one class—and their dissatisfaction arises from natural conditions, which it is beyond the power of this Congress to change—are, as a rule, satisfied with this schedule. The persons engaged in production, the textile workers of the United States, without exception, so far as I know, are satisfied with this schedule. Who is dissatisfied? Who are the men?

Of course the Senator from Iowa has always been a Tariff reformer. I do not use the term in an offensive sense, but he has been in favor of lower duties, all along the line. If he were required to reconstruct our Tariff, he would do it upon a different basis from what I would and what I think a majority of the Senate would. I do not find any fault with that, but I suggest to him that all these other inter-

ests and people are satisfied with this schedule. It does not necessarily follow, because he is dissatisfied, and a few other Senators are dissatisfied for any reason, that we must halt the public business and try the impossible task of reconstructing the schedules.

### Wide Difference of Opinion Between the Late Senator from Iowa and the Present Senator from That State.

*From the Congressional Record of June 14, 1909.*

NELSON W. ALDRICH, of Rhode Island. I will say to the Senator from Iowa, what he probably may not be aware of, that the present woolen schedule—that is, Schedule K of this bill, of the existing law, of the act of 1890—was prepared more largely at the suggestions and under the control of the woolgrowers of the United States than of the woolen manufacturers or of any other force or power. I hope the Senator from Iowa will not misunderstand me. I am aware that for many years that Senator has been carrying on a campaign in his own State for lower duties. One representative of that State in this body had very much to do not only with regard to Schedule K, but the entire Tariff legislation here. There was a marked, I perhaps might say, without being too strong, a wide difference of opinion between the late Senator from Iowa and the present Senator from that State. That difference was fought out before the people of Iowa, and the Senator from Iowa is now here.

In regard to the wool schedule, the people of Iowa are not particularly interested directly in whether the Tariff on wool is high or low; but we have upon this floor ten or twelve Senators whose people are directly interested in the wool Tariff, and those Senators are unanimous and enthusiastic in favor of maintaining the existing schedules. That those Senators represent in this matter their constituents, the woolgrowers of the country, I think the Senator from Iowa will not venture to deny. We have a large number of other Senators here who are Protectionists, who believe in the Protection on wool; and I shall try to

voice their sentiments later on in the day, when I will show, I think to the satisfaction of every Senator, that these repeated amendments—every one of them—have but one purpose and could have but one result, and that would be not to reform the wool and woolen schedules, but to destroy them.

### *Are Receiving Too Much Duty.*

Mr. WARREN. I should like to ask the Senator from Iowa a question before he leaves the floor. I understand his contention to be that the manufacturers are receiving too much compensatory duty, coupled with a Protective duty.

Mr. CUMMINS. That is what I have been driving at for the last hour and a half or two hours.

Mr. WARREN. I do not wonder that the Senator follows a line of that kind, because I myself followed it for a great many years, and there have been times, especially in my earlier consideration of this subject, when I figured it very much as the Senator figures it. But as I grew older and after a somewhat active business life, I am inclined to judge more and more by final results. I think that is the safest way. I do not think the matter of technicalities enters into it so much as does the final result. We know what the final result has been to the sheepmen. We know that when we have had favorable Tariff legislation they have succeeded, and when we have not had favorable legislation they have failed. They have demonstrated that if they are Protected they can raise in this country every pound of wool consumed in this country.

### *Wants to See Some Evidence.*

On the other hand, we have been hearing of other lines of manufactures. We have heard of dividends on sugar. We have heard of dividends on oil. But I can not find in my investigation that the manufacturers of woollens have shown more than a reasonable profit, more than a reasonable interest earned; and if the Senator has any information, or any Senator has information, which proves that, taking it altogether, from first to last, the manufacturers of woolen goods have become multi-millionaires or the sheep growers have become multi-million-

aires, then I am ready to change my opinion.

But I want to see some evidence, if somebody is getting too much compensatory duty or Protective duty, that, after good management, he has made more than the ordinary rate of interest.

### Exploiting Filipino Cheap Labor in Competition with Our Own American Labor.

*From the Congressional Record of June 14, 1909.*

MOSES E. CLAPP, of Minnesota.

The Senator from West Virginia is absolutely right. There are two principles involved in this Tariff—either a moral question or a question of dollars and cents. If it is a question of dollars and cents, we should collect a duty on the Philippine product. If it is a moral question, there can be no compromise on it. If it is the duty of the American Republic to let in Philippine sugar because it is due as a moral right to the Filipino, then it is an equal duty to let in every pound that every poor Filipino may be able to produce. The Senator from West Virginia is absolutely right. There can be no compromise upon this question.

I do not believe that any such proposition as that ever passed the scrutiny of that great jurist who to-day sits in the executive chair of this Nation. If so, there is a way to bring that approval to the Senate rather than the mere say so of some Senator. When we had up Cuban reciprocity, we were told that somebody had promised something to the Cubans, and we must maintain that promise. Now it is proposed to enact this proposition into legislation, based upon the theory that there are two Filipinos entitled to the benefaction of this Republic, and yet the one who can get to the market first with his 500 tons of sugar is benefited and the other is barred out. That involves no such proposition as should in the last analysis be a solution of a moral question or the recognition of a moral obligation.

There is one thing more, and then I will quit. I did not intend at this particular time to talk on this sub-

ject. For eight years I have stood in the Senate, and I have legislated as honestly and conscientiously as I knew how for what I believed, next to the agricultural interest of America to be the basis upon which our prosperity rests, and that is the industrial life of our country.

For the last few months this Chamber has rung with the exclamations of those who wanted to do something for American labor, and now it is proposed to open the Philippine Islands to allow men to go there and exploit that cheap labor and then bring the product here in competition with American labor.

A Senator said this matter has been arranged. Have the men who have eked out only half an existence in making cigars appeared here and consented to this arrangement? Have the independent beet growers who are left in this country come here and consented to this arrangement? I think not.

For one, let the consequence be what it may, I will not and can not vote for a proposition that will bring in competition with the American laborer the product of the laborer of the Philippine Islands, employed, as he inevitably will be, not by Filipino capital, but by American capital, and exploiting the product of that cheap labor here in our very midst in competition with our own American labor.

### Would Displace the Labor of 2,500 Americans.

*From the Congressional Record of June 14, 1909.*

ROBERT M. LaFOLLETTE, of Wisconsin. Mr. President, the proposition to admit 150,000,000 cigars free of duty means displacing the labor in the cigar factories of this country to the number of 2,500 men. There are to-day 12,000 unemployed cigar makers in the United States. I do not believe it is wise or just that that army of unemployed men shall be increased by 2,500 men, whose labor will be taken from them if 150,000,000 cigars are admitted into this country from the Philippines free of duty.

### "Competition at Home Will Always Prevent Monopoly on the Part of the Capitalists."

*From the Congressional Record of June 15, 1909.*

ROBERT M. LAFOLLETTE, of Wisconsin. For more than one hundred years the ablest champions of a Protective-Tariff system have met the attack upon it with Hamilton's unanswerable argument, that free competition between domestic industries would make monopoly impossible.

Blaine, in his "Twenty Years of Congress," makes domestic competition the very cornerstone of the Protective system. He says:

Protection in the perfection of its design does not invite competition from abroad, but is based on the contrary principle, that competition at home will always prevent monopoly on the part of the capitalists, assure good wages to the laboring man, and defend the consumers against the evil of extortion.

You see, Blaine recognized the fact that Protection would be vulnerable except for the principle invoked by Hamilton, that domestic competition would prevent monopoly and so prevent the imposition of extortionate rates upon the domestic purchaser of the domestic product.

### *McKinley Said Monopoly Could Not Survive.*

That was the Blaine to whom you, Mr. President [the Vice-President in the chair], and I, as young men entering public life gave heed as an expounder of the correct principles of the Protective-Tariff policy; so William McKinley, a Member of the House of Representatives, rising rapidly to the leadership of his party as the embodiment of the Protective-Tariff principle, answering the charge that the Tariff fosters monopolies, said:

They—that is monopolies—can not long exist with an unrestricted home competition such as we have. They feel the spur of competition from 37 States, and extortion and monopoly can not survive the sharp contest among our own capitalists and enterprising citizens.

### "Do You Want Wages Paid to the Foreign Miner and Leave Our Own Zinc Ore in the Ground?"

*From the Congressional Record of June 16, 1909.*

WELDON B. HEYBURN, of Idaho. Mr. President, that is the language contained in the lead schedule, and there is no reason why it is not appropriate in the zinc schedule. If it is not appropriate in one, it is not appropriate in the other. We are competing against the wage scale of Mexico as much in zinc as we are in lead. We are competing against exactly the same conditions, and we are not asking as much by this amendment on zinc as was asked on lead, although we would be entirely justified in doing so. I will undertake to say that had there been any necessity of doing so at the time that the Dingley law was enacted, the same duty would have been put upon the zinc contents of the ore as was put upon the lead contents of the ore, because they were then dealing with a clear field; they were making a Republican Tariff, and not revising one.

I notice that there is not that outspoken patriotic spirit of Republicanism displayed in revising this Tariff that there was in making the existing law. They had then, right close in their memories, the experience of four years of Democratic Tariff. It had been a lesson to them in every State in the Union, especially in the mining States; and when they were looking for the right thing to do they were not embarrassed by existing conditions. They were rather aided by the comparison between poverty and prosperity in those sections. That is what I am standing for to-day. A new condition has arisen demanding the same class of relief and assistance as existed at the time of the making of the Dingley law.

### *Why Do Senators Oppose It?*

Mr. President, does anybody suppose that there would have been a Republican vote against this amendment had it been offered at the time of the making of the Dingley bill? No one would have been able to give a reason for it at all. Why do Senators oppose it? Do you want wages paid to the

foreign miner and leave our own zinc ore in the ground? What for? On the ground of the conservation of the natural resources of the country? I can think of no other ground. Of course it would stay there all right. It would not rot like timber; it would not burn up like forests; and there is no Senator here on either side who would for a moment, after due consideration of this question, say that any one would be benefited by leaving this ore in the ground and going down into American pockets and taking the price of your corn or your wheat to buy foreign zinc that represented foreign wages and foreign investments.

***Greatest and Best Tariff Law Ever Enacted.***

Every presumption here is in favor of the sufficiency and the appropriateness of the existing Tariff law, and I "must be shown" before I vote to change a single duty now provided for. Where new industries have grown up, they should be incorporated into the scheme of Protection. I am not willing to join with those who would have you believe that at the time of the meeting of the Republican party in Chicago the country was in bankruptcy and in poverty. It was not. I am not one who will join with those who denounce the Dingley Tariff law. It was and has been the best and greatest Tariff law that ever was enacted, because it had the benefit of the experience of the time that had gone before, and it was the result of tried conditions.

And that a Republican should stand up here and attempt either to apologize for it or to denounce it puts me upon inquiry as to the condition of his mind when he said to the constituents who elected him to participate in the proceedings of Congress that the Republican party was entitled to their suffrage and that he represented the principles of it, and that he would stand for them. If there is a man in this House or in the other who apologizes for the Republican party, he is not worthy to wear the honors that the people gave him.

***Tired of Apologies for the Wisdom of the Republican Party.***

I am tired of those half-stated and

often insinuated apologies for the wisdom of the party.

Mr. President, if you do not deal fairly with all the people of the country, you will only make the task the harder for those of us who participate in the political campaigns that result in Republican supremacy. If you think you can throw this State down and this interest down, remember you have to pay for it in some States in votes. I do not think you will have to pay for it in votes in Idaho, because the Protective-Tariff system is their law and their gospel, and no man can ever go into that State and make those people believe that it will not ultimately prevail. You may shake their confidence by slurring over this zinc schedule, and we may have to explain your action and apologize for it, but they will still vote the Republican ticket, having faith that the time will come when there will be a Republican party in Congress which will know Republicanism and how to apply it.

***"I Have Yet To Learn that Free Raw Material Is a Cardinal Principle of Faith of the Republican Party."***

*From the Congressional Record of June 16, 1909.*

WILLIAM WARNER, of Missouri.  
Mr. President, I am reluctant to occupy the time of the Senate even for a minute, and I should not do so were it not for the deep interest which the people of my State have in this question; deeper, I think, than in any other schedule in the pending Tariff bill, for the reason that in what is known as "the Joplin district," composing portions of Missouri, Kansas, Oklahoma, and Arkansas, 70 per cent of the spelter which is used in the United States is produced. Over 11,000 men, nearly all Americans, are engaged there in the mining industry. They are among the best paid laborers in the world; they are independent laborers; they are home builders, having their permanent residence in the mining district.

This and the importance of the zinc-mining industry in my State is enough to make me say something. But, Mr.



President, back of that there is a bit of sentiment, from the fact that my father was a day laborer in the mines in Wisconsin, and as a boy I worked in and about the mines; and the deepest regret of my life, I think, was when, well-nigh three score years ago, I parted company at the mouth of the shaft from the old blind horse that I had for two years led in the winters' snows and the summers' suns in operating the whipsey-derry of a lead mine. I have therefore some familiarity with the mining industry.

#### *Justice Should Be Done to Every Section.*

And I have been hopeful that justice would be done to every section of this country in the matter of the duties on zinc. I have believed, and believe now, that the Committee on Ways and Means of the House of Representatives should have acceded to the claims of the miners, and that the committee should have given them the same Protection that it gave the lead industry. The Ways and Means Committee, after careful consideration, placed the duty on zinc ore at 1 cent a pound. The bill giving that Protection came over to the Senate. In my judgment, the Senate Committee on Finance should have reported the duty at 1 cent a pound on the zinc contents contained in the ore. It may be that I am overzealous on behalf of the men who work in the mines. Yet, while not getting all that I believe they should have gotten, I do not think any interest has received more careful consideration at the hands of the committee than has the zinc industry, taking into consideration even the men who are fighting it to-day—the oxide-zinc people and the smelters—who are here fighting against the granting of Protection to the men who work in the mines, yet always looking for and demanding Protection to their own interests.

Mr. President, I am no better Protectionist than many other Republicans; but, sir, for nearly as long as the children of Israel wandered in the wilderness I have fought the battles of Protection in Missouri against what seemed to be a hopeless majority, and I have yet to learn that free raw material is a cardinal principle of faith of the Republican party.

#### **Lack of Sufficient Protection Would Close a Great Many Zinc Properties.**

*From the Congressional Record of June 16, 1909.*

SIMON GUGGENHEIM, of Colorado, Colorado, as I previously stated, excluding the zinc-oxide product of New Jersey, is the second largest producer of zinc ores in the United States. Having had some personal business experience in the Republic of Mexico, residing some time there, also having mined in that country up to a few years ago and knowing the conditions prevailing, I trust that the producers of the United States will not have to longer meet the keen competition of the producers in the Republic of Mexico.

The Senator from New Jersey has made the statement that heretofore no duty has been imposed on zinc ores. That is true; but it has not been necessary to impose a duty on these ores up to the present time.

The zinc-ore shipments began coming from Mexico, as was stated by the Senator from Missouri [Mr. Warner], in 1904, reaching a point when, in 1907, they amounted for that year to something like 110,000 tons.

From what I know of mining conditions in Mexico, its producers can just as readily ship 250,000 to 300,000 tons of ore annually, from that Republic. Knowing mining conditions in the West, due in part to the higher wages we pay the miners in the mining of zinc ores, which are the same wages paid as in the mining of lead ores, I know such importations would be a menace before long and would probably close a great many zinc properties in the Rocky Mountain mining region if we do not impose a duty sufficient at least to protect the interests of the American producer and enable him to continue paying the present wage schedule, which at the best is not too remunerative for the American miner.

Personally, I should like to have seen the rate 1 cent per pound on all grades of zinc ore, but as the Committee on Finance have in their wisdom seen fit to make a slight reduction from the rate fixed by the House, I am willing to accept the rate now offered, feeling that it will not work any great

injury to the mining interests of the West.

The zinc industry in Colorado and in the Rocky Mountain section is in its infancy. It is not so in Missouri, for zinc ores have been mined there for a great many years. We were obliged to take up the mining of zinc ores in Colorado and in the other Rocky Mountain States on account of the low price of silver. Many silver mines have been closed because of the low price, which at the present time is about 52 cents an ounce, a drop of 13 cents in the past two years. Now, I ask the Senate not to menace our zinc industry, which is in its infancy, but to give the State and the West all the Protection to which they are justly entitled.

### Fair Play Demands Fair Protection for the American Lithographing Industries.

*From the Congressional Record of June 16, 1909.*

JACOB H. GALLINGER, of New Hampshire. Mr. President, I simply want to say, in a word, that I feel a very great interest in the lithographing industry, and I trust that the substitute the committee has prepared will take adequate care of that industry, which is now greatly imperiled.

The National Association of Employing Lithographers met in this city a little over a month ago, and they have given some statistics that are quite startling to me. They call attention to the very thing that the Senator from Nebraska suggested. They say:

The Payne bill, with two exceptions, provides a fair measure of Protection to the lithographic industry. The Senate bill as introduced perpetuates the wrongs of the Dingley bill, which almost ruined an old industry; fair play demands a fair Protection; we plead for it.

They show that this is an industry employing \$50,000,000 capital and 20,000 workmen. In 1899 the imports were \$799,745; in 1907, \$3,968,542; and in 1908, \$4,911,102; showing that in nine years the imports have increased almost seven times what they were in 1899. A great many lithographers, to my knowledge, are out of employment in this country. We are being flooded

with German lithographic cards and every possible device, furnished to our people much cheaper than they can be produced in the United States.

I want, in just a word, to plead the cause of these skilled workmen and experts, and I hope that the committee have given them fair and adequate Protection. I presume the committee have undertaken to do that.

Mr. SMOOT. Mr. President, answering the Senator from New Hampshire [Mr. Gallinger], I will say that the committee have taken all the demands of the lithographers into consideration, and had meeting after meeting with them. While we could not consistently grant all that they demanded, we did finally report, or will report, amendments that are acceptable to that class of workmen.

### Tariff on Post Cards May Not Please the Germans, but It Will Help Americans.

*From the Congressional Record of June 17, 1909.*

. REED SMOOT, of Utah. Mr. President, in answer to the Senator from Kansas, I will state that there are a number of changes here in the lithographic schedule. The labels and flaps are the same as the Dingley rate, but the bands are about 5 cents a pound higher. I explained last night when this paragraph was up for discussion the reason for that advance. It was virtually agreed by the importers themselves that the advance on the cigar bands is a proper one, but they did not desire an advance upon the labels and flaps. If the Senator will notice, he will see that on the labels and flaps we have reduced the House rate 5 cents per pound, but have increased the rate on bands 5 cents per pound. The reason of that is that the bands imported used to come in in sheets, and a rate was paid upon the weight of the sheet. But now they are imported with the band cut ready for use, and it virtually makes a difference of about one-half of the rate formerly charged.

#### *Advance in the Tariff on Post Cards.*

We also have eliminated from the paragraph the view cards that used to come in under the thickness of not

exceeding twenty one-thousandths of 1 inch. We have carried those view cards to paragraph 412, and they are greatly advanced. At the time of the Dingley bill postal view cards were unknown in this country, but, as all Senators know, that business has grown to mammoth proportions.

The German importers, under the 5-cent rate that we now have, virtually control this market, as every Senator will see from the importations of that class of goods. The House advanced the rate from 5 to 7 cents a pound. The Senate committee have now advanced it to 15 cents a pound and 25 per cent ad valorem.

I suppose there is no Senator who has not received by mail lately postal cards showing views of America; yes, views of public buildings in Washington, printed on postal cards made in Germany. In order to save this business the committee have decided that the only way of doing it is to put a rate of duty of 15 cents a pound and 25 per cent ad valorem. I will admit that it looks to be a very large increase, and it is an increase of 325 per cent over present law, but nothing short of that, in the opinion of the committee, would save the business to the American lithographer.

### Difference in Wages Cost Shows the Need of Protection for American Glass Workers.

*From the Congressional Record of June 17, 1909.*

CHARLES DICK, of Ohio. Mr. President, it is admitted that this business is in a demoralized condition. Large numbers of factories are closed. Thousands of men are out of employment. A reduction of the Tariff in this instance invites importations and reduces the price of the home product. The wages of the men engaged in this business are fixed by the monthly price of the glass itself. It would seem to me that if any schedule of this bill might be left undisturbed, or as now fixed in the law, this is clearly one to be so taken, and I hope that nothing will add to the disturbance of the business, already in a demoralized condition, by changing the rates

that have so long obtained and to which the business has adjusted itself.

There are 6,700 skilled window-glass workers in this country, all of whom are members of organized labor, capable of producing annually 11,000,000 50-foot boxes of the sizes and qualities required by American consumers.

This demonstrates the fact that if all the skilled American window-glass workers were employed at their respective trades in the making of window glass a sufficient number of boxes to supply the entire consumption of the country could be made in six months, thus compelling the forced idleness of the workmen during the remainder of the year.

### Vast Difference Between American and Foreign Wages.

I submit the comparative wages of American and foreign workmen:

American workmen: Blowers, \$120.50 per month; gatherers, \$90.25 per month; cutters, \$124 per month; flatteners, \$130 per month. Foreign workmen (I use the phrase "foreign" as referring particularly to the Belgian workers, our greatest competitors): Skilled workmen—Blowers, \$60 to \$80 per place; gatherers, \$40 to \$50 per place; cutters, \$28 to \$38 each; flatteners, \$40 to \$60 each.

In the case of a part of the more unskilled labor, the following were the wages shown by the figures that I was able to obtain:

Lehr tenders, \$48 to \$60 per month; shove boys, \$48 to \$60 per month; roller boys, \$48 per month. Foreign unskilled labor: Lehr tenders, girls, \$15 to \$18 per month; shove girls—that is, in place of the boys used in this country—\$15 to \$18 per month; roller carriers, girls, \$18 per month.

In addition, we might add to the American unskilled or perhaps semi-skilled workmen what we know as the "snapper," one to each place, who receives an average of \$48 per month. In Europe they dispense with the services of a snapper.

The price of American skilled labor is determined monthly by the selling price for the current month, while the price of foreign skilled labor is fixed annually.

To better understand these figures, it is necessary to bear in mind the

fact that the American blower and gatherer work singly, or one to each place, while the foreign blower and gatherer work double, or two to each place. The latter condition is due to a surplus of workers. The American blower works one hundred and sixty hours per month and produces 1,440 rollers (you might know them better as cylinders), or 200 boxes of window glass, single strength. The foreign blower works one hundred and eighty hours per month, producing 2,200 cylinders, or 312 boxes of glass.

The average number of 50-foot boxes of common window glass imported annually for the last twenty-four years is 854,324, aggregating 20,503,776 boxes. A box consists of 50 square feet.

I believe that a lowering of the duty on common window glass would mean an increased importation of that article, comparative with the amount of the said reduction, and would work a corresponding injury to the window-glass workers and manufacturers alike of this country.

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### Competition with Window-Glass Blowers of Belgium at One-Fourth the Wages Paid in This Country.

*From the Congressional Record of June 17, 1909.*

NATHAN B. SCOTT, of West Virginia. Mr. President, I presume most of the Senators are aware of the fact that the window-glass factories shut down usually the first week in June and resume again the first week in September, virtually putting the skilled labor and all other labor out of employment for three months. There is perhaps no other manufacturing industry that requires more skill or places a greater strain upon the mechanic than blowing glass. With a cylinder anywhere from 4 to 8 feet in length, with a man holding it on the end of a pipe, a pipe 4 or 5 feet long, you can well imagine not only the muscular strain, but also the amount of lung power he must necessarily have to blow that cylinder out.

These men are asked to come in competition with the window-glass blowers of Belgium, where, unless the conditions of wages have changed in the last four years, when I visited

that country, the wages are not more than one-fourth of what the window-glass blower in this country gets.

Many of these window-glass factories in this country are what we call "co-operative." They are organized by the workmen themselves—by men who have been frugal and saved a few thousand dollars. Eight or ten or fifteen of them pool their small savings and build a small factory. When the time comes that there is no demand for glass, these men have to earn, as it were, weekly stipends to keep their families. Consequently, they authorize the sale of the glass at a ruinous price in order that they may keep at work. Before the panic of 1907, when building in this country fell off, when people would not improve or build new houses, the window-glass business was fairly good under the Protection we had under the Dingley law.

But conditions combined to put these men in a very bad shape. All they have in the world is invested in these small factories, and the legislation that is being offered here, proposing a reduction of the duties on glass, I want to say to my fellow-Senators, is a direct stab at the laboring men themselves and the mechanics engaged in the window-glass business.

I do not intend to detain the Senate, but I have tried in these few words to present this case as I know it exists. I do not believe there is a single window-glass factory in my State—I may be mistaken—that is not what we call "co-operative," belonging to the men themselves who operate and control the plant. I do hope it will not be the pleasure of the Senate to reduce the duty on glass.

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### Protest Against Free-Trade in Wood Pulp and Paper.

*From the Congressional Record of June 18, 1909.*

JACOB H. GALLINGER, of New Hampshire. Mr. President, I have persistently refrained from unnecessarily occupying any time in the discussion of abstract Tariff matters, feeling an intense desire to have this bill become a law at the earliest possible moment. The great business interests of the country are anxiously watching our proceedings, and the laboring men

are hoping and praying for a settlement of the controversy, believing that industrial activity will then be accelerated and added employment be given to the class to which they belong. But notwithstanding my disinclination to occupy the attention of the Senate, I feel constrained to submit some observations against the proposed reduction of duties on print paper and wood pulp, and especially to enter my solemn protest against the Free-Trade argument of the Senator from Nebraska and the industrial war scare that he has raised between this country of 85,000,000 people and the Dominion of Canada, with six or seven million population. With some knowledge of the relations between the United States and Canada, neither the heated speech of the Senator from Nebraska nor the heated speech of the premier of the Province of Quebec—not the premier of the Dominion—will alarm me in the least.

Mr. President, it is interesting to note the fact that Senators who live in States where trees are as scarce as hen's teeth assume to instruct some of the rest of us on questions that presumably we fairly well understand.

They see devastating floods, disastrous droughts, and all kinds of damage to property interests if those who own forests, and who largely derive a living from forest products, are not by legislation regulated and restrained in their legitimate pursuits. But, Mr. President, from the time of the first memorable flood to the present day the earth has been visited by floods and droughts and pestilence, and doubtless will be to the end of time. Very likely the ruthless and indiscriminate removal of the forests has had a tendency to disturb the equal and normal flow of water in the streams of the country, but the extent to which this has occurred has been greatly exaggerated. The truth is that under modern methods of lumbering many of the evils of the past have been cured and the dangers from floods have been reduced to the minimum.

The observations I have made, Mr. President, are preliminary to a discussion of the proposition embodied in the bill as it came from the House, to put wood pulp on the free list and reduce the duty on print paper from six to

two dollars per ton. I shall endeavor to point out that no reduction whatever should be made, but if it should be decided to act otherwise the reduction should not be so sweeping and cruel as to destroy one of the leading industries of the United States and transfer it to our neighbors on the North. It has been truthfully represented that the reduction of these duties

*Will Seriously Injure the Industry Without Any Corresponding Advantage in Any Direction.*

Thirty-two States have paper and pulp mills, and there are great possibilities for the industry if not destroyed by Tariff legislation.

The value of the paper and pulp produced in the United States during 1907 is estimated to be \$250,000,000, and the total value of news print paper produced during 1907 in the United States is estimated to be \$50,000,000.

A year ago the demand was made that Congress should immediately take the duty off from print paper and pulp, allegations being made that the whole industry consisted of a monopoly and that extortionate prices were being demanded under the shield of the Tariff. A special committee of investigation was appointed by the House of Representatives, with the result that it has been conclusively shown that there is no monopoly in the business or any branch of it; that there is no combination in restraint of trade among the manufacturers of news print paper; and that the recent small increase in price was due to natural causes, such as increase in cost of labor and of wood. Prices were shown not to be exorbitant. It has also been shown that the Tariff has not been responsible for any rise in the price of paper. These conclusions were foreshadowed by the preliminary report of the investigating committee and confirmed by their final determination.

*Republican Principles or Democratic Demands?*

Mr. President, if the principles of the Republican party and platform were adhered to, the duties on paper and pulp might rightly be increased rather than diminished. The Republican

party, in its platform, made a specific avowal of its intention in regard to the revision of the Tariff along lines of Protection to all industries. The Democratic platform made a specific avowal of its intention to remove the duty on paper and pulp. It now remains to be seen whether Congress will follow out the principles of the Republican party or yield to the unreasonable and unreasoning demands of the Democratic party.

The grounds on which the Democratic platform proposed to remove the duty from paper and pulp have been shown to be erroneous. The chief reason advanced was the preservation of our forests. The American people have recently learned a good many things about the relation of the paper industry to the forests which they did not know before. Less than 2 per cent of the total consumption of wood in this country is domestic pulp wood. Further consideration of the relation of the Tariff, to forest conservation has persuaded many people that lowering the Tariff on paper or removing it would tend rather to destroy the forests in this country and compel the owners of timber lands to strip them promptly before being driven out of business or over to Canada. The forestry commissioners of the States of New York, Maine, Vermont, and New Hampshire have all stated that this will be the result.

#### *Forests Will Be Preserved if Protection Is Retained.*

Mr. President, as a matter of fact, the paper manufacturers have for eleven years advocated the adoption of practical forestry methods and conservation of the forests in this country, and it is with this object that they have acquired timber lands in Canada, and now own twice as much forest area in Canada as in the United States. Some of the largest holders of timber lands in the United States for years have been operating their timber lands in accordance with the advice of the Forestry Department in Washington. A concerted movement has recently been started, representing three-fifths of the paper manufacturers' holdings of timber lands, for the purpose of extending the application of forestry principles not only on the part of

paper manufacturers, but to make an example to be followed by other industries. This movement will surely be killed if the paper industry is deprived of adequate Protection, and the 2,700,000 acres of timber lands in New England owned by paper manufacturers will be seriously jeopardized.

No valid argument for lowering the duty on paper has been advanced. The principles of the Protective Tariff and the pledges of the Republican party, the conservation of the forest and the perpetuation of the paper industry in this country, and particularly in New England, the welfare of the numerous communities entirely dependent upon the paper industry, as well as the general prosperity of the country, are all positive reasons why the Tariff should not be lowered.

#### *A Publisher Who Wants the Duty Retained.*

Mr. President, I can not refrain from quoting a letter written by Mr. A. P. Moore, president and editor in chief of the Pittsburg "Leader," addressed to the chairman of the Finance Committee. It is so entirely just that it ought to appeal to every fair-minded man. Mr. Moore says:

Coming from Pittsburg, which naturally is a Tariff-Protection centre, I am interested in the Tariff legislation. We want a Tariff on iron and steel, and, while it might be possible I could secure print paper somewhat cheaper for a time if the Tariff on print paper and wood pulp was taken off, I feel that in fairness to all American industries it would not be right to take the Tariff off paper and pulp. If paper is put on the free list, it means that a great American industry, employing perhaps a hundred thousand men, will be driven from this country to Canada. As an American business man, I do not want to be compelled to buy my paper in Canada and be subject to the whims of the Canadian manufacturer. The indications are that if paper and pulp are admitted free, the Canadian government will place an export duty on these materials, and the result will be that the American publisher will be at the mercy of the foreign manufacturers, and we then can not employ our antitrust laws to get at them. What the American publisher wants is stability in price and quality. When the Tariff is adjusted, it will be possible for us to make contracts with the American paper manufacturers for a term of years, say, for five or ten, and we will know exactly what we are doing. If the Tariff is taken off, it will mean that we will have to make contracts from year to year, with the chance that the company we are dealing with will go into bankruptcy and we will be at the mercy of some foreigner. A newspaper must have

paper every day in the year. It can not shut down for a single day, and can not take the chances the iron and steel or any other business takes. This is a grave question, and I am afraid some of my brother publishers who are taking only a selfish view of this question will live to regret their action if paper and pulp are admitted free into this country. It will drive our own industries out, and if any one of them fails for a single day's production it will almost mean ruination to them.

In round figures, I purchase for my publication \$150,000 worth of paper a year. I am naturally anxious to buy it as cheaply as possible, but I am not in the business for a week, a month, or a year, but must go on indefinitely. If your committee will go into this matter as we have had to do and get a thorough understanding, I am sure you will permit the Tariff to remain on paper and pulp as it is. If I can assist in any way with information, I will only be too glad to do so, as I think it is the duty of any newspaper publisher to do.

These quotations are sufficient to show that the newspapers of the country are far from being united on this question, and the same thing can be said of the magazines. Indeed the clamor largely comes from the cheap and sensational part of the newspaper press.

And again I am tempted to inquire:

***"Why Single Out This Industry for Slaughter?"***

Think of the injustice that is proposed! The average ad valorem duties in the bill is about 45 per cent, and it is solemnly proposed that pulp wood shall be free, and the duty on print paper be fixed at 5 per cent. Surely the Senator from Nebraska, when he looks at the duties on the products of his own State, will blush to think that he is about to do so flagrant an injustice to other sections of the country.

In addition to the immense harm that will come to the manufacturers and workingmen directly engaged in the industry, another class will be made to suffer serious loss, and that is the 69 builders of machines for making paper who have petitioned the Senate against the proposed reduction of duties. The invested capital in that line of business is \$7,650,000; the annual output is \$4,000,000; and the number of employees is about 3,000. These men import nothing, but use American iron, copper, and lumber in their industry. Surely they, too, deserve consideration at the hands of the Repub-

lican party. On what hypothesis is it to be denied?

But, Mr. President, not only are we to be put at the mercy of Canada if the House bill becomes a law, but beyond doubt

***Norway, Sweden, Denmark, and Finland Will Enter Our Markets.***

The paper mills in these countries aggregate 112, divided as follows: In Norway 23, Sweden 67, Denmark 3, and Finland 19. Finland particularly has enormous forest reserves, excellent water power, and the paper-making industry in that country is in its infancy. The cost of production in these mills is much lower than the cost of production in the United States, owing to cheaper wood and much cheaper labor. Most of them are situated within easy reach of seaboard, whence the rates of freight to the United States are as low in most cases as the rates from our mills to points of consumption in this country, and undoubtedly a large amount of paper produced by these countries will find its way here if the present duty on news print paper is largely reduced.

The chief excuse urged for the proposed legislation is that an increase has been made in the price of print paper and that it will conserve American forests. So far as American forests are concerned, it will have the opposite effect. As soon as it is settled that Canada is to have practical free trade in pulp and paper every American owner of spruce lands will strip them as soon as possible, not exercising much care in the process, the only consideration being to get as much as possible out of the lands before the industry is transferred to Canadian soil. That will be the inevitable result. As to the increased cost of paper, it has been less in percentage than almost any other American product, and, as before pointed out, is selling in the United States for less than in other countries.

***Costs More to Produce Paper Here Than in Canada.***

It should be kept in mind that it costs much more to produce a ton of paper in the United States than in Canada. On this point there is a controversy, the question of wages enter-

ing into it. Fortunately, we have an official statement bearing on this matter which ought to put the matter beyond further contention. On pages 3258-3269 of the report of the special committee of the House of Representatives, Hon. Charles P. Neill, Commissioner of Labor, supplies a table that deserves attention, from which it appears that the wages paid in this country in the paper industry are approximately 33 1-3 per cent above those paid in Canada. I have had a careful synopsis made of those tables, which I will ask leave to insert in my remarks, and to which I call the special attention of the Senator from Nebraska [Mr. Brown].

#### *Why Not?*

If we are to have low duties or no duties on paper and pulp at the behest of the Senator from Nebraska and other Senators, and at the demand of the cheap newspapers of the country, why not low duties on wheat and corn and oats and barley and beef for New England?

Mr. BRISTOW. I feel perfectly assured in saying that the Senators representing agricultural States will be delighted to have the duties reduced on agricultural products if they can be reduced on manufactured products correspondingly. They, indeed, would be glad to have the duties taken off if the duties on manufactured products can represent the difference in the cost of product here and abroad, and no more.

Mr. GALLINGER. Mr. President, I have no doubt the Senator is entirely willing to do that if we allow him to destroy the manufacturing industries of the United States. I have no question of that.

New England is entirely dependent on the great West for agricultural products, and their high value is a great hardship to our people. New England consumes five or six million barrels of western flour each year. If lowering duties lessens the price to the consumer, why should not New England demand lower duties on wheat and flour? New England does not do this, for the reason that New England believes in applying the Protection policy equally to all sections of the country. But while doing this why should this great industry of New

England be sacrificed on the altar of Free-Trade?

#### *Increased Price a Poor Excuse for Lower Duties.*

The increase in the price of paper has been comparatively slight, and yet that increase has been urged with a great deal of vigor, energy, and denunciation as a reason for removing the duty on print paper. If that policy should prevail, this bill would be made up of a free list, and nothing else.

I want to repeat, that if the increase in the price of an article is a reason for putting it on the free list, this bill ought to be made up of a free list, and nothing else.

Even the special committee of the House admitted in their report that an increase in the price of paper was justified, their exact words being:

It would appear that the increase in the value and cost of pulp wood, the increase in wages, the decrease in the hours of labor of many of the employees, and the increase in cost of other materials used, justified some increase in the price of paper.

Of course it did, and what folly it is to use that circumstance as a reason for removing or lowering the duty.

#### *Wages Here and in Foreign Countries.*

Mr. President, much has been said in this debate about wages, and some Senators have exerted themselves to prove that wages in foreign countries are at as high a level as in the United States. Every man who has investigated that subject knows to the contrary. Look at the report of Special Agent Clark, who has been frequently quoted in this debate. He says that in the textile industry we are paying twice the wages that are being paid in Great Britain. While the difference is not so great between the wages in this country and Canada, the difference is sufficient to place us at a great disadvantage. And yet it has been claimed, over and over again, that there is practically no difference in the wages paid in this and other countries. Truly it is a remarkable contention.

As I have before stated, the figures submitted by the United States Commissioner of Labor, Mr. Neill, put the difference in wages in the paper mills of the United States and Canada at about 33 1-3 per cent.



Personally, I know something about this matter, derived from my frequent visits to Canada and my association with the people of that country. Aside from farmers going to the northwest Canadian Provinces, there is no emigration from this country to Canada, while Canadians flock to our forests and our mills in great numbers, simply because the wages are greater on this side of the line. In Senate Document No. 16, printed only a few days ago, our consul at Owen Sound, Ontario, speaking of lumber, says:

The cheaper labor in the woods and mills will more than offset the duty.

That is undoubtedly true, and it has an important bearing on the subject under discussion.

***Wages Here at Least 30 Per Cent Higher Than in Canada.***

I have some familiarity with the paper mills of Canada. I have talked with Canadian public men and associated with the laboring men of the Dominion. I know something about the industrial condition there as compared with the industrial condition in the United States. I could cite, if it were necessary, instances with which I am familiar of men working in the paper mills of Canada, and could compare their wages with those of men in this country. But that is not necessary. But I assert it as a fundamental and unanswerable fact that the wages in this country in all our industries, paper making included, are at least 30 per cent in advance of the wages paid in any Province of the Dominion of Canada.

If it were not so, Mr. President, the mills of our Eastern States, the forests of our Eastern States, the brick-yards of our Eastern States, would not be filled with men coming from Canada to this country. They would remain at home. They surely do not come for their health.

If that be so, it is a most astounding fact that men will emigrate from their own country to a country which gives them less opportunity for comfort, happiness, and prosperity than they could get on their own farms or in their own mills or in their own forests. Who believes it?

Mr. President, this matter has not escaped the attention of the labor in-

terests of the country. The Congress of the Knights of Labor has put itself on record against the proposed legislation, closing their earnest protest in these words:

Without the existing Protection the great paper industry will be crippled and the wage-earner, the forest, and ultimately the consumer will be endangered by driving the industry to Canada.

It is astonishing to me how acute is the mind of some of these labor leaders, how accurately they gauge a great public question. These men know that if this industry is transferred to Canada, as it will be transferred to Canada unless it is adequately Protected, the men whom they represent will be turned out of employment and suffer the consequences of such a foolish legislative act on our part. This great organization continues:

Should this industry decline it means a death blow to many communities clustered about the paper mills.

The Senators from Maine know how that is. They know how towns and villages have been built up in Maine, clustered around paper mills, entirely dependent upon the employment they there receive. Blot them out and those communities will be like some of the mining communities where the mineral has refused to give itself up to the labor that formerly produced it. I continue to quote:

Should this industry decline it means the death blow to many communities clustered about the paper mills and the breaking up of American homes and migration of our skilled labor to Canada and the forcing of the unskilled into other channels, now overcrowded.

In justice to American labor and industry and in the name of the vast army of American workmen who are dependent upon the paper industry for a livelihood, we ask that the existing duty of \$6 per ton on print paper and \$1.66 per ton on wood pulp be maintained in the Tariff bill now pending before Congress.

**Democratic Editors Opposed to Reduction of Duties on Wood Pulp and Paper.**

*From the Congressional Record of June 18, 1909.*

MORGAN G. BULKELEY, of Connecticut. In view of the quotation from the publisher of a Republican paper, I desire, without detaining the Senate by any remarks, to have read a letter

from the editor and publisher of the leading Democratic journal of my own State on this question.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

The Hartford Times, April 7, 1909.

Hon. Nelson W. Aldrich, Chairman  
United States Senate Finance Committee,  
Washington, D. C.

Dear Sir: Recognizing the peril now confronting a New England industry, whose volume of business reaches the great sum of \$100,000,000 annually, I write at this time to outline a number of objections to the proposed reduction in the duty on white paper and the admittance of wood pulp free. And in doing this I am simply reaffirming the position I took in an editorial in April, 1908, a copy of which I am inclosing herewith.

At that time it was plain that the demand for free pulp came almost entirely from certain publishers who were offering for sale a finished product at a price that did not cover the cost of raw material. I could find no logical reason for giving support to this movement, and when the material advance in the cost of print paper added \$1,000 a month to the running expenses of the "Times," I found by thorough investigation that the demand was just. Within ten years the cost of labor has increased 30 to 50 per cent, and raw material, in some cases, as much as 100 per cent.

I believe a reduction in the duty on paper and pulp would surely bring about a far greater increase in the cost of paper than could come from any other source. Canada, with her immense resources, would first drive the American paper makers from the field, and then, in all probability, increase the export duty to such an extent that the cost of paper would be far greater than it ever can be under the present Tariff.

I know that you and your committee will give this matter due consideration, and act for the best interests of a New England industry that produces nearly one-half of the country's output of white paper, and when you Protect New England in this respect you are Protecting every paper maker from the Atlantic to the Pacific.

Very truly yours,

W. O. Burr,

Editor and Publisher.

### *Why Enrich Canada?*

Mr. BULKELEY. Now, Mr. President, I desire to ask to have inserted in the Record, without reading, excepting a few lines, an editorial published in the Boston "Herald," under date of April 7, 1909, entitled "Why Enrich Canada." I read the concluding lines:

The public seems to have assumed that the newspaper publishers of the country were a unit in their demand for the re-

moval of the duty on wood pulp and news paper. But 1,800 publishers have not been heard from. Among these will be found many who apply the rules of sound business management to their enterprises and who put a price on their product commensurate with its cost. Such publishers are not complaining. They realize that there is a single interest in all industry, and that each industry interlocks and is interdependent on others. They do not seek their own advantage by tearing down an industry that contributes to the general welfare. Many newspaper publishers, occupying this point of view, will indorse Congressman Currier in his protest against injustice to an industry which is an important factor in New England's prosperity.

### **Democratic Party Demanded Removal of Tariff Where No Tariff Existed.**

*From the Congressional Record of June 18, 1909.*

MARTIN N. JOHNSON, of North Dakota. Mr. President, it has been said that the Tariff ought to be revised by its friends. This plank in the Democratic platform indicates that if that party were intrusted with the revision of the Tariff it would not even have been revised by its acquaintances. There were six Democratic Senators on that committee, at least two ex-Senators that I know of, and perhaps others. The men who wrote that platform were leading Democrats, and they adopted this plank demanding the immediate repeal of the Tariff on logs, on pulp wood, and on cord wood. They ought to have known that those things are on the free list now, and have been on the free list for twelve years.

I felt the claw and tooth of that in the last campaign, and I think it is not improper to make the protest here. They made the people believe that there was a duty on those things. They might just as well have said that they demanded the immediate repeal of the Sherman silver law or the proclamation for the emancipation of the slaves—things that we had done years and years ago.

The people of North Dakota and the people in the great prairie States, reading in the newspapers this plank, were led to believe that there was a duty on cord wood, on pulp wood, out of which paper is made, and on logs. The fact is, that not only are those things on the free list, but ship planks are on the free list, ship timber is

on the free list, shingle bolts and handle bolts, out of which we make axe-handles and pick-handles, are on the free list, and even gunstocks, if planed on one side, are on the free list. Yet we were put in the attitude of resisting this Democratic platform, which demanded the immediate repeal of the Tariff on these things that we had repealed years and years ago. It was a load that we had to carry, and it was an unfair and a very heavy load in the prairie States.

### **Paper Sells Higher in Free-Trade Great Britain Than in the United States.**

*From the Congressional Record of June 18, 1909.*

MOSES E. CLAPP, of Minnesota. Mr. President, the next test of whether the Tariff is too high is to be found, in my judgment, in the question of how far that Tariff enables a man within the Tariff wall to dump goods at a less cost upon foreign countries than he sells them for in his own market. Measured by that test, we find that the present law has not unduly accentuated or developed the making of paper in this country and the sale of it in foreign countries at less than in our home market.

In 1890, in Free-Trade Great Britain, paper was selling at \$77.72 per ton. In that same year it was selling in France at \$77.95, in Germany at \$64.68, and in this country at \$68. These figures are taken from these investigations.

For 1908 the price in Free-Trade England had fallen to \$44.20, in France to \$55.86, in Germany to \$46.35, and in this country the very highest price was \$44.41. I shall not read the figures for the intermediate years, but I ask permission to have the table inserted in the Record.

That was the next point that I intended to reach—the cost of production. While I have often said, and I say again, that, while I attach little importance to detail figures trying to show just what it costs to produce a thing in a mill or factory, yet the broad determination is made upon prices; and when we compare the price of Canadian pulp wood with American pulp wood we find there

### **A Reason Why the American Manufacturer Should Receive This Protection**

in addition to the difference in the cost of labor itself. Measured by that test—I will not weary the Senate with a recital of all the figures—the figures show conclusively that year after year the cost of wood in this country has been more than the cost of wood in Canada. I ask permission to submit that and have it inserted in the Record.

Now, Mr. President, taking these broad principles, the increase in the price of raw material that goes into this product, the importation from Canada, the fact that this industry has never been able to dump its goods in any foreign market at a less price than at home, all have satisfied me that this duty has not worked injuriously to the American people in the Protection which it has accorded to this particular industry.

Last fall I heard a great deal about the advance in the price of paper. During the campaign I asked a great many men in our State who are publishing newspapers about it. Their universal verdict was that there had been no startling increase in the price of paper, viewed in the light of the general uplift of prices in this country in the past few years. During the winter I wrote letters to a number of those publishers, and but one of them has complained of that increase.

Petitions have been presented here asking for the removal of this duty from the standpoint of labor. Mr. President, we also have petitions here from labor organization after labor organization asking that this duty be retained at the rate which it has been understood for some time would probably be the report of the committee. There are

### **Two Sides to This Labor Question.**

There are thousands of people employed in these mills, and perhaps there is no other industry in this country that appeals to the poor. In its neighborhood as do these mills. These mills, as a rule, are located on the frontier.

I know something of what the people on the frontier have to endure; and I have received letters from those people urging us to maintain a Tariff

that will insure the permanence of this industry, because the settler finds the mills will take wood which would otherwise be refuse on his land, and he gets a little return in clearing his land.

**"The Deliberate and Avowed Purpose of Transferring the Entire Industry of Making Pulp and Paper from the United States to Canada."**

*From the Congressional Record of June 18, 1909.*

NELSON W. ALDRICH, of Rhode Island. Mr. President, the amendment of the committee involves questions of national and international importance which ought to have serious consideration on the part of Senators. Since the Mann report was made and since this bill passed the House of Representatives the Canadian government has officially announced its purpose to transfer the pulp and paper industry from the United States to Canada. That purpose has been understood in Canada for some time, but it has never until recently been officially announced.

The Province of Ontario some time ago inserted provisions in the crown leases which made impossible the exportation of logs and of pulp wood from that country. Now, the premier of the Province of Quebec has announced in a public statement that the same policy is to be adopted in that Province. It is stated unofficially that the premier of the Province approves this policy.

Now, what is this policy? It is to prevent and forbid the exportation from Canada of logs and pulp wood. Canada is going back to the middle ages and adopting the policy which was adopted in England two or three hundred years ago, of forbidding the exportation of machinery and of forbidding the exportation of gold and silver. The theories of the past are revived and re-enacted in the Dominion of Canada at this moment for the deliberate and avowed purpose of transferring the entire industry of making pulp and paper from the United States to Canada, and we are asked in the Senate of the United States to put those products upon our free list or to substantially reduce

the duty for the purpose of assisting the Dominion of Canada in this work of destruction.

I think it is time that the American Senate should stop to consider this question from that standpoint as well as from another, to which I will call the attention of the Senate later.

Now, what is the purpose? The purpose of these gentlemen can be carried out, perhaps, if we give them ingress to the markets of the United States, which is the great paper market of the world.

***This Announced Purpose of the Canadian Government Was Not Known***

at the time that the Mann committee were considering this question and when they made their report. It was not known when the House of Representatives passed this bill, and is it the desire of the American Congress and the American people to facilitate this work of destruction, to tear down the walls which protect the American market? Then we should adopt the progressive amendments which have been suggested by the Senator from Nebraska and the Senator from Missouri and the Senator from Wisconsin and remove the obstacles, so as to enable Canada to carry out this new policy of hers.

The Dominion of Canada has an unlimited amount of wood; she has water power; she has everything else that America has; she intends deliberately to produce wood pulp and paper in her Dominion; and in order to do that, she is throwing a line of prohibition around the United States. What ought we to do under these circumstances? That is the question. What is our duty? Is it the purpose of the Senator from Nebraska and the Senators who are associated with him in this matter to remove the duties entirely for the purpose of giving this market to Canada and to aid them in carrying out this purpose? It ought to be our purpose to put such restrictions upon our markets, to put such conditions upon the entering into our markets, as will make it impossible, so far as the action of the United States is concerned, to carry out successfully this new policy of the Canadian government. That is my notion about it. I would provide for the imposition of

such duties as would make it impossible for those people to come here and take possession of our markets in competition with our own paper men.

Mr. BROWN. How would the duty of \$4 a ton on print paper stop the hand of the Canadian government from passing a law prohibiting exportations?

Mr. ALDRICH. It might not stop the hand of the government.

Mr. BROWN. How would it tend to stop it?

*Three Hundred Million Dollars Invested in Paper Making.*

Mr. ALDRICH. I will explain that to the Senator if he would like. I will show exactly how it could stop it. We have in the United States invested in paper making \$250,000,000.

Mr. FRYE. Three hundred and fifty million dollars.

Mr. ALDRICH. Three hundred and fifty million dollars. I will accept the suggestion. We have \$300,000,000. We have an amount of timber which will last this country for a hundred years at least; I think, myself, a great deal more than that. I think, as I stated the other day, with the processes of reforestation that are now going on in this country and with the immense amount of wood which is now in existence in every Southern State and in every Western State and in every Northwestern State, we have wood enough in this country to-day to go on indefinitely in the manufacture of paper.

What do we need to carry on that manufacture successfully? Do we need to tear down the barriers which have existed, when under a rate of \$6 a ton the importations have been increasing in the last few years very rapidly; or do we need to put such restrictions as we propose in this bill upon articles imported under these conditions from Canada as will prevent the successful carrying out of this plan?

*We Ought to Impose Restrictions.*

My own judgment is we ought to put such restrictions upon the importations of paper from Canada and make the rate of duty so high that it would not be possible for the Dominion of Canada to carry out this new plan. But the amendment of the committee was not prepared for the

purpose of prohibiting the importation of pulp wood or logs or paper from Canada into the United States.

When this bill came before the Committee on Finance, they determined if possible to find out what was the relative cost of its production in the United States and Canada, with a view of recommending the imposition of such a duty as would equalize the difference between the cost of production in Canada and the United States.

These new conditions to which I have alluded had not then arisen and do not form a part of the judgment that is incorporated in the amendment suggested by the committee.

Now, the committee asked the representatives of the Publishers' Association and the representatives of these paper companies to furnish us testimony as to the difference in the cost of production between the two countries. As I stated yesterday, the statements furnished by these gentlemen were conflicting in their character.

There was only one statement which was agreed upon by the representatives of both interests as a correct one. I do not mean to say that we based our judgment upon that statement. As I said yesterday, according to that statement the cost of producing paper was stated at \$31.38 a ton in Canada. It included, however, \$0.56 per ton as insurance and taxes, \$1.31 for general expenses of the company in Brussels, Belgium—

Mr. BROWN. Mr. President—

Mr. ALDRICH. Now, wait a moment; and included \$1.92 a ton for bonding, which has nothing to do, of course, with producing paper; thus reducing the mill cost of paper, from the logs to the paper—that is, the cost of conversion, and the cost of the logs—to \$27.59 a ton.

*Greater Cost of Production in the United States.*

Now, that was one statement. The committee had a great variety of other statements in Canada and the United States. The result of our investigations as to the cost of producing paper in the United States, investigations made of the books of the companies themselves, investigations covering a great variety of mills under a

great variety of circumstances, led me to the conclusion, which I think is absolutely correct, that it would cost \$31.50 a ton under the most favorable circumstances, and only taking into consideration the items which were taken in this Belgo-Canadian statement to produce that paper in the United States. That is the very lowest price in the very best mills in the United States.

Beyond that the committee were satisfied from a very exhaustive examination (the Senator from Utah [Mr. Smoot] has the details and the figures, I will not take the time of the Senate to go into the matter) that the cost of wood between the United States and Canada is at least \$4 a ton on the paper, which is the amount of the duty that we suggest should be paid in this case. The Mann committee found that there was a difference in the cost of labor and an average on material of \$2 a ton, but we do not take that into consideration.

#### *Cost of Wood \$4 a Ton More Than in Canada.*

We are certain from our investigation that the value of wood in the United States is at least \$4 a ton more than it is in Canada. The estimates which are given to us by the paper makers is vastly in excess of that in some parts of the country. The Senator from Wisconsin [Mr. La Follette] said a few minutes ago that the cost is very much greater in Wisconsin. The cost of producing paper in this country is very much greater, as is shown by the sworn statement of the Audit Company, of New York, from \$39.50 a ton in all the mills in Wisconsin as against \$27.59 in Canada, in every case there being a difference of \$10. Under other conditions the difference was less. The mills in Wisconsin are not as well located with reference to wood as some of the other mills. If the price of wood was precisely the same in Canada and the United States, then the difference in the cost of transportation would equal at least the amount of duty that we should get. In other words, taking the Canadian timber from the Canadian forests and transporting it to the Canadian mills, in the average American mills it would cost at least

\$4 a ton more than it would take those same logs from the Canadian forests to the Canadian mills.

#### *In the Event of Prohibition of Exports.*

It may happen in Canada that there will be an absolute prohibition upon importations to the United States of logs and pulp wood. If it is our purpose to quietly submit to that sort of thing and suggest to our neighbors across the line that if all they have to do is to make a threat of this kind and the American Senate prostrates itself before them, then we will reduce this duty or repeal it. If we intend to protect this great industry in the United States, then we ought to strengthen the duty. We ought to put on the importation of pulp and pulp wood and paper in the United States such restrictions as will notify the Dominion of Canada that this is not entirely a one-sided proposition, that we have some interests to serve, and that we have some rights to maintain on this side of the line.

The Senator from Nebraska [Mr. Brown] the other day said that only 180,000 men, or something like that, are employed in the pulp and paper mills of the United States. I do not remember the number he stated, but I think he said that more men than that are employed in the newspaper offices of the country. Does the Senator think that the employees of the newspaper offices of this country are to lose their occupation or have their wages reduced on account of a duty of \$4 or a difference of \$2 on printed paper? Is it a matter of life and death—

Mr. BROWN. I should like to answer the Senator.

Mr. ALDRICH. Wait just a moment. Does the Senator think that the reduction of \$2 from the Dingley rate and an increase of \$2 above the House rate will operate to reduce the prices of the newspaper proprietors and publishers in the United States? Does he think that the circulation of the papers is to be reduced, that their advertising charges are to be reduced, or that the pay of their employes is to be reduced on account of this reduction? Certainly not. But

*If Canada Succeeds in Closing the Paper Mills of the United States,*  
you put actually out of employment

and banish from their homes the people who are engaged in the business in this country.

Now, let us look a little at the character of this duty. Senators upon both sides of the Chamber have been inclined to impose small duties upon articles either for purposes of Protection or for purposes of revenue.

This duty is about 10 per cent. It has very many features which are quite like the lumber business, although, of course, print paper is a more advanced product than any kind of lumber. The duty upon these articles under the suggestion of the committee is the lowest of any duty in this whole schedule. It is not excessive and can not be construed to be excessive. If the newspaper publishers of the United States had to pay this total amount it would make a difference of only \$4 a ton on the paper which they used. I do not believe that the newspaper publishers of the United States are here asking for anything in charity. I believe that the great mass of the newspaper publishers of the United States want to have the paper industry treated fairly. I know perfectly well that there are certain newspapers in this country that, by covert threats and the abuse of Senators and Members of the House and everybody else who did not agree with them as to what should be done with this duty upon paper, have been trying to force us to adopt these low rates or to put this paper upon the free list; but, in my judgment, those men represent a very small and a very unimportant minority of the great newspapers of the United States, whose treatment of public questions is not affected by their material interests. The class who can only see an additional cost of perhaps \$2 a ton in the paper in the discussion and disposition of a great question like this are so unimportant that they should not be considered here.

It is our duty, representing the people of the United States, to take care of these questions with

*Fair Treatment to All the People of the Country.*

in whatever interests or whatever industries they are engaged, including the newspapers; but what is there in

this that can possibly be construed to be unfair treatment of the newspapers? It is quite as much for the interests of the newspaper publishers of the United States to have this industry maintained in this country in a fairly profitable condition and in a fairly prosperous condition as it is for anybody else. If you destroy this industry here, who knows what the price of print paper will be in the next ten years? As the Senator from Minnesota [Mr. Clapp] has shown conclusively, there have been no great advances. It is true that the paper companies did consider an advance, which perhaps was not justified, at one time, in 1907; they talked about it. They put up their prices, but never sold any paper at those prices; the price of paper went back, and it is now sold at not above what has been the average price for the past ten years. I think the Senator from Nebraska will have to concede that.

I have stated as concisely as I could the reasons which actuated the Committee on Finance in making this recommendation. They have desired to be perfectly fair in their treatment both of the newspapers and of the paper industry, and I believe that their judgment should be confirmed by the Senate.

### **Free-Trade in Philippine Products Would Chiefly Benefit Large Tobacco and Cigar Manufacturers.**

*From the Congressional Record of June 18, 1909.*

MORGAN G. BULKELEY, of Connecticut. My own view of the matter, as I have studied the question, is that we had far better, for the benefit of the Filipinos and their future, put a prohibitory duty on all their products until they have raised their quality so that they will be fit to enter into competition with the markets of the United States and the products of our own industry. We should educate them with the idea that they can not come into competition with the world and its markets and its wage-earners until they produce a quality of goods, either

tobacco or sugar or anything else, that warrants entering into that competition.

I believe to-day, Mr. President, that the Filipinos can probably receive no benefits from this proposed legislation, and that the only benefit which can accrue, if any accrue, will be to the large manufacturing tobacco industries and the five or six large tobacco companies and cigar manufacturers of the city of Manila, who to-day fix the price in the rural districts of all the commodities for which we are legislating. But let us educate them first not only in their schools, but in their agricultural industries, with the idea, as I have said before, that it is the quality of goods that they put upon the market which produces a market for the goods themselves, and that a poor quality of goods will never find a market in the United States of America.

The only benefits, to my mind, that can accrue to anyone from Free-Trade in the principal products of the Philippines, especially in tobacco, are to the two or three large companies located in Manila who control very largely the dealings with the producers as well as the exportation of the manufactured products. The producers of tobacco are limited in number, and the tobacco-producing lands are located largely in the valleys of the islands I have heretofore named; their land holdings are small, generally about a single acre, and their product is traded for merchandise almost exclusively with Chinese dealers, fairly to be presumed in the interest of the Manila companies; it is possible, of course, that with the advent of Free-Trade, even to a limited extent in the greater productions of the islands, that the great corporations of our own country may see another opportunity for the development of their varied interests.

On behalf of the tobacco industry of this country, and particularly of my own State, for which I speak here to-day, and representing, I believe, the views of the growers of leaf and wrapper tobacco and manufacturers engaged in its use, I ask you to give due consideration to this section before permitting it to be enacted into law.

## How the Income Tax Might Supplant the Collection of Revenue Through Tariff Duties.

*From the Congressional Record of June 19, 1909.*

JOSEPH W. BAILEY, of Texas. I have no doubt the Senator from Rhode Island will be able to make some kind of defense for this advance that will at least pass, even if it is not accepted by his friends on that side. But all the time until within the last week the whole objection to this income-tax amendment has been, I mean so far as announced on the floor and as it appears in the Record, that it was unnecessary taxation, and therefore unwise taxation. I perfectly understand that that is not the whole objection to it which Senators feel, and which Senators, whenever required to do so, would proclaim, but so far as the Record appears, that has been the sole argument against it.

If it be true that the bill under consideration will raise through its Tariff schedules ample revenues to support the Government, then, obviously, no further money ought to be collected from the people, and, as obviously, if we are going to raise this \$80,000,000 on the incomes of the country, we ought to reduce the collections by \$80,000,000 on the consumption of the country. Holding to that view, I still contend that the first thing that ought to have been done in the consideration of this bill was to decide this income-tax amendment, so that if we did determine to raise a given amount of money in that way, we would raise that much less money in the other way.

## Should the Tariff Schedule Be Whittled Down so as to Leave a Margin for Some Other Legislation?

*From the Congressional Record of June 19, 1909.*

WELDON B. HEYBURN, of Idaho.

It is not my intention to vote for an income-tax bill to tax the net incomes of corporations or any other subterfuge for the purpose of raising money enough to pay the expenses of the Government outside of the custom-house dues and the internal revenue.



I have very clearly defined views. I have some responsibility, at least to the extent of my constituency, and I desire that there shall be no misunderstanding about it. It makes no difference in what shape the income-tax bill may come into the Senate, it makes no difference in what shape a bill may come into the Senate proposing to tax net incomes of corporations or any other income of corporations until a constitutional method for raising the money to pay the expenses of the Government is shown to be inadequate, I will not give my support to extraordinary measures. I belong to the Republican party. I speak its principles. I am not ready to about face at the demand of anybody. We were marching and will continue to march, in my judgment, to a determination based upon the Protective-Tariff policy of the Republican party, and I certainly shall never admit defeat until after the battle is long over.

#### **A Danger Facing the Republican Party.**

We are going forward to the consideration of the Tariff schedules that are framed upon the Protective-Tariff principle, and whether or not those schedules are going to be whittled down now so as to leave a margin of necessity for some other legislation is a question of very great importance to me. I have voted against every reduction in existing duties, because I believe that the promise that was made, and always is made, by the Republican party that it will pay the expenses of the Government through the means of the custom-house and by internal revenue is the most sacred promise that the Republican party ever made to the American people. I for one propose to stand for it here or elsewhere, wherever it may arise.

Now, I can see this danger facing the Republican party right now: That, resting upon the fancied security of ample revenue from other sources they may say: "Oh, well, no matter much whether this duty is high or whether low." For one, I shall still continue to march along the line of high Protective duty, for the dual purpose of producing revenue and paying the expenses of this Government. And I will be no—what do they call it?—discontent or rebel.

I will discuss the question of Pro-

ductive Tariff when it is up in order to be discussed, and not before; but at this particular time I am not going, so far as my vote or my consent is concerned, to make way for any substitute for the principle of Protection. I want no substitute for it. We promised the people that we would stand for Protection, and we did not promise them that we would stand for any substitute for it.

#### **Wood Pulp Free, Provided No Restrictions Are Imposed Upon Its Exportation.**

*From the Congressional Record of June 19, 1909.*

THE SECRETARY OF THE SENATE. On page 176, Schedule M, Pulp, Papers, and Books, in lieu of paragraph 402, as printed in the bill, the committee proposes the following substitute:

402. Mechanically ground wood pulp, one-twelfth of 1 cent per pound, dry weight: Provided, however, That mechanically ground wood pulp shall be admitted free of duty from any country or dependency (being the product of any such country or dependency), when and so long as such country or dependency, or any province or subdivision thereof, does not forbid or restrict the exportation of or impose any import or export duty, export license fee, or other export charge of any kind whatsoever, either directly or indirectly (whether in the form of additional charge or license fee or otherwise), upon mechanically ground wood pulp, logs, or wood for use in the manufacture of wood pulp. Chemical wood pulp, unbleached, one-sixth of 1 cent per pound, dry weight; bleached, one-fourth of 1 cent per pound, dry weight: Provided, That if any country, dependency, province, or any subdivision thereof shall impose an export duty or other export charge of any kind whatsoever, either directly or indirectly, on pulp wood or logs exported to the United States, the amount of such export duty or other export charge shall be added as an additional duty to the duties herein imposed upon wood pulp when imported, directly or indirectly, from such country or dependency: And provided further, That in case any such country, dependency, province, or subdivision thereof shall forbid, directly or indirectly, the exportation of any wood pulp, logs, or wood for use in the manufacture of wood pulp, an additional duty equal to the rates of duties imposed by this paragraph upon wood pulp shall be imposed upon any wood pulp imported from such country or dependency.

NELSON W. ALDRICH. Mr. President, we have simply said to the Canadian provinces, "If you do not

impose unreasonable restrictions upon the exportation of logs or pulp to the United States, we will admit the Canadian ground wood pulp into this country free; but if you do impose unreasonable restrictions or prohibitions upon the exportation to the United States, then you must pay a penalty of an additional duty equal to one-twelfth of 1 cent a pound." There is no prohibition about it at all. They simply pay the penalty of their own unreasonable treatment of the United States.

#### *An Unreasonable Condition.*

Mr. NELSON. Is that an unreasonable condition where they sell the right to cut timber at a reasonable figure, and say, "If you cut timber on our lands, we want you to manufacture that timber in this country?"

Mr. ALDRICH. Well, it is unreasonable, so far as we are concerned; and it makes no difference to us whether that prohibition is made by a Province which is under the control of the Dominion government or made directly by the Dominion government. It makes not the slightest difference in its effect upon us. If the Provinces of Canada can legislate against the interests of the United States in that particular, they may legislate against the interests of the United States in every particular. They may prohibit the exportation of wood of all kinds, or they may prohibit the exportation of any other article to the United States that we are now buying from Canada. If you allow this subterfuge of getting behind the right of a Province to do things which we hold the Dominion of Canada responsible for, there will be no limit to what may be done in that direction.

I was going to say, in answer both to the Senator from Minnesota [Mr. Clapp] and the Senator from South Dakota [Mr. Crawford], that it is very evident from public declarations that

#### *It Is the Purpose of Canada to Extend the Prohibition,*

which is now applicable in Ontario, to other Provinces, especially to the Province of Quebec, which is the principal exporter of wood to the United States. Those Senators must see that the prohibition of the exportation of

spruce or other logs for paper use or for pulp use is inevitable. So that the argument of both Senators that we shall be paying the penalty ourselves by putting on these provisions does not apply. The prohibition upon wood, which the Senator from Nebraska [Mr. Brown] is so desirous of having come from Canada, is almost certain, so that wood will not come here. What we say to Canada is, "If you will not let your wood come here"—and according to the contention of both Senators, it is desirable and necessary that it should come for our paper mills—"if you will not let your paper come here, you must pay a little higher duty upon pulp and upon paper." That is the whole proposition.

Mr. CLAPP. Mr. President, without certainly meaning any sarcasm—for I believe the American public are confronted with a serious proposition in their trade relations with Canada—it still does seem to me that we are cutting off our nose to spite our face. If Canada prohibits the exportation of an article, certainly the imposition by the American Government of a duty will cut no figure. If, instead of prohibiting the exportation, they simply put on an export duty, which adds to the cost of it—still, if we are to use that at all, the addition of an import duty upon our part would simply add to the burden of our own people. It seems to me that we are there confronted with a proposition where we are not even candid with Canada, and we can not meet her with that kind of legislation.

#### *An Added Duty to Prevent the Prohibition of Exports.*

Mr. ALDRICH. The Senator from Minnesota, from my standpoint, does not quite appreciate the purpose and effect of the amendment. He is speaking of logs as though we were putting a duty on logs to prevent the making of a prohibition in Canada against their exportation; but that is not the purpose. We are simply saying to Canada: "If you refuse to allow logs or pulp wood to be sent to the United States at all"—there is no question here about a duty on either—"if you refuse to have logs and pulp wood sent to the United States at all, then, if you send the products of your own

logs to the United States, you must pay a little higher rate of duty upon the products"—not upon the logs. It does not touch the question of pulp wood or of wood at all; it is not a question of wood. If they say they will not send any spruce to the United States, which the Senator from Minnesota and the Senator from Nebraska say it is necessary for us to have for use in the mills of the United States, then they pay a little higher duty on the products of that wood when manufactured in their own country. It strikes me that that is not a proposition which is an unfair one. We do not propose to put a prohibition upon either pulp or upon paper or any of the products of wood. We simply say, "You will pay a little higher duty if you do that."

Mr. CLAPP. I understand that, and stated that, in this connection, I was dealing with the question involved in both these paragraphs of the bill. Canada can only avail herself of the right to say that she will either prohibit or tax exportations upon the ground that she has those products cheaper than we have; otherwise, to attempt to prevent their exportation would be an absurdity. That is where Canada has the advantage of us in this matter. Canada says, "We shall prohibit the exportation of pulp or pulp wood." We say, "If you do that, we will prohibit the importation of your paper."

***We Would Not Prohibit Paper from Canada.***

Mr. ALDRICH. Oh, no.

Mr. CLAPP. Before we get through we do.

Mr. ALDRICH. Oh, no; we do not. We simply say, "You will pay a little higher duty."

Mr. CLAPP. Exactly. I understand that.

Mr. ALDRICH. And the higher duty is a duty which is less than the average revenue duty imposed by this bill.

Mr. CLAPP. That may be, Mr. President, but we have to get right back to the proposition that we have fixed a duty upon print paper which we believe, especially in view of the exigencies of the situation, is a Protective duty upon American print paper. If we go beyond that, we go beyond the

limit of a Protective duty; and while we attempt to punish Canada for prohibiting or taxing the exportation of her wood and pulp, the only way we get at it is, in the last analysis, by adding to the cost that we pay for our own paper.

Mr. ALDRICH. Mr. President, I still think the Senator is mistaken about this provision. Let me recall it to him again in detail.

We will assume that it is desirable to have the logs and pulp wood imported from Canada to the United States; we will assume that the Senator from Nebraska is correct, that the Senator from South Dakota is correct, that the Senator from Minnesota is correct, and that it is desirable to continue the importation of wood from Canada into the United States.

***We Are Confronted with the Proposition***

that a prohibition will be established against sending any wood to the United States. We say to Canada, "If you remove your prohibition against the importation into the United States, or the exportation to the United States, of wood and logs, we will admit mechanically ground wood pulp free into the United States; but if you insist upon that prohibition, we ask that you shall pay an additional duty; if you are going to try to force into Canada this business of producing pulp, then we ask you to pay a little higher duty when these goods are brought into the United States," amounting, as I have said, in the aggregate to only one-sixth of a cent a pound, which is less than the average of the "revenue duties," so called, imposed by this bill. That is all there is in this provision except this—and that was the House proviso, and it is in the existing law—if they pay an export bounty on pulp, as they are doing indirectly to a certain extent, that the amount of the export bounty shall be added to the duty. That is all there is to it. This is

***Provision for Reciprocity Treatment,***

you might say a retaliatory provision, if you please, in which we simply say to Canada, "If you will not continue to allow logs to come to the United States; that is, if you insist upon your prohibition, you then must pay, not an additional duty upon logs, but upon

the products which you are trying to force us to use from Canada;" and we only make a very small penalty in the way of a retaliatory duty.

. . . In dealing with the Dominion of Canada we have to deal with the Dominion government. We make our Tariff with reference to the Dominion government; and if any part of the Dominion of Canada does anything that is against our interests, we have a right to retaliate, if we see fit.

Mr. SMITH, of Michigan. This question suggests itself to me: The Senator from Minnesota says that some Province or some subdivision holding crown lands may put an export duty or license fee upon the exported article.

Now, that could not inure to the advantage of that subdivision or Province, because any export duty that was to be realized from the exportation of this product must find its way into the general Dominion treasury, and not into the treasury of the Province imposing the restriction. Therefore, as a subdivision could not profit by a restriction, and could find a market for its product, I can not believe that it would not act in harmony with the Dominion government.

I desire to make it easy to supply pulp wood to the paper manufacturers of this country, for the purpose of retaining the manufacture here. The diminishing supply of material suitable for that purpose is recognized by everyone. It is recognized even by the Senator from Rhode Island in his substitute, and the desirability of enlarging the field from which to draw this material is impressed upon us all. Therefore, if the effect of this substitute is to make it easy for paper manufacturers to get the pulp wood free, I desire to see it ratified.

Mr. ALDRICH. That is certainly the purpose of the committee. . . .

#### *Depends Upon the President's Interpretation.*

If I was certain that all these questions would be taken up by the President under the maximum and minimum provisions which the committee have adopted and hope the Senate will adopt, I certainly would be in favor of removing all these duties. But the trouble is, I am not certain

whether the prohibition on exportations, applicable, of course, to all countries, would be held by the President of the United States to be unduly discriminatory against the interests of the United States. That is the whole proposition. If the lawyers of the Senate are able to assure me that that question could and would properly come up under the maximum and minimum provisions, I certainly should prefer that we should go into negotiations with the Canadian government rather than to adopt specific retaliatory duties under this act.

#### **Let the Criminal Courts and Not the Tariff Deal with the Trust Question.**

*From the Congressional Record of June 19, 1909.*

THEODORE E. BURTON, of Ohio. I have performed my duties as a Representative or a Senator here without keeping track of the criminal prosecutions in the country; and I would say that the Senator from Indiana himself intimated that this is a question for the courts rather than for Congress. If they are violators of the law, let them be punished by the law. If there is ground for action against them in the courts, let the courts take action.

I think, Mr. President, we have had a little too much of this style of argument when duties are under consideration here. If anyone desires to lower a duty or raise a duty or advance any wish of his, he can come in here and shout with clenched fists: "Trust!" "Monopoly!" "Octopus!" Perhaps he might go on with all the rest of the animals, and very likely they have just as little to do with the business under consideration as any of the animals that might be mentioned.

I submit that this is a question not for settlement here in this Chamber, but in the courts, where judgments upon violations of the law belong. I have no commission here to defend this corporation, except that it is one of the best manufacturing establishments in the United States, and one of the most progressive, and I certainly am entitled to ask for them a fair hearing. There should not, without such hearing, be projected here in

the midst of these proceedings an attack upon their manner of doing business and a motion that a duty be lowered which might bring upon them serious loss, cripple their operations, and cripple an American industry.

### **In the Main the Solution of the Trust Problem Will Not Be Found in a Tariff Schedule.**

*From the Congressional Record of June 19, 1909.*

MOSES E. CLAPP, of Minnesota. I do not like to indulge in criticism, but I want to say that in all human history there never has been such absolute, inexcusable greed as is shown to-day in some of these great combinations—not a struggle for their own existence, not a struggle in honest competition with competitors, but, after stifling competitor after competitor, going on with merciless stroke to strike down simply that they may add to possessions beyond all human power of enjoyment or even hardly the concept of possession itself. That relation is sustained to this question of hides, and I am proud to stand on this floor and to represent in part a people who are ready to bear their share of the sacrifice, if necessary, to rescue this country from that domination.

I have not participated in, nor have I looked with leniency upon, a proposition so often injected into this debate, of trading this thing or that thing, this section or that section, in a sort of compromise upon this measure. We have got to recognize here the principle of the greatest good for and to the greatest number. While it may be said that this proposition will, in a measure and to a certain degree, and in some remote instances, perhaps, lessen the profits of the man who produces stock in this country, yet, after studying this question fairly and diligently, I am thoroughly of the opinion that, in so far as it may possibly curtail the power and the profits of this trust, the benefit, when averaged to the American people, will exceed any possible loss.

Mr. WARREN. To what trust does the Senator from Minnesota allude?

There are several to which he might allude.

Mr. CLAPP. There are several trusts, and I will say—

Mr. WARREN. I hope the Senator will, in his remarks, remember all of the trusts interested in this particular product.

Mr. CLAPP. Mr. President, I was going to say we should be fair, and while it seems to me we should take the duty from hides, I am not so clear but that in taking the duty from hides perhaps some one else than the ultimate user of the product of hides may be the beneficiary.

### **Free Hides Would Lessen the Power of the Beef Trust.**

Mr. BORAH. Do I understand the drift of the Senator's argument to be that free hides would serve the trusts or would cripple the trusts?

Mr. CLAPP. The allowing of free hides will undoubtedly, in my opinion, lessen the power of one great trust—that which we call the "Beef Trust."

Mr. BORAH. Then, do I understand the Senator's argument to be that by Tariff legislation we can affect the trusts one way or another?

Mr. CLAPP. Mr. President, if the Senator from Idaho had been in the Chamber, he would have heard me say that I quite agree that in the main I do not think perhaps the solution of the trust problem will be found in a Tariff schedule; but, nevertheless, that there may be times, there may be instances, and there may be conditions, where Tariff legislation bears an intimate relation to the prosperity, the power, and the monopoly of trusts.

Mr. BORAH. Mr. President, I was in the Chamber when the Senator from Minnesota made that statement; but I did not understand the effect of the phrase "in the main," because I did not understand how, in any measure, or at all, you were going to affect the trusts by Tariff legislation. That statement has been made many times upon the floor of the Senate in the last few weeks. I am not criticising the Senator from Minnesota, but I have not yet been able to ascertain in what respect and how we are going to do the work.

Mr. CLAPP. I was proceeding to attempt to show its relation to this particular industry.

*President Roosevelt on the Tariff as a Remedy for Trusts.*

Mr. BORAH. Would it interfere with the Senator from Minnesota if I should read him a statement by one of the leaders of our party with reference to the effect of the Tariff upon the trusts?

Mr. CLAPP. It would not interfere with me at all. I have been reading and hearing those things for some time.

Mr. BORAH. Then, I want to read this to the Senator. I think it comes from one who has won some distinction in that fight. He said:

One point we must steadily keep in mind. The question of Tariff revision, speaking broadly, stands wholly apart from the question of dealing with the trusts. No change in Tariff duties can have any substantial effect in solving the so-called "trust problem." Certain great trusts of great corporations are wholly unaffected by the Tariff. Practically all the others that are of any importance have, as a matter of fact, numbers of smaller American competitors; and of course a change in the Tariff which would work injury to the large corporation would work not merely injury, but destruction to its smaller competitors; and equally, of course, such a change would mean disaster to all the wage-workers connected with either the large or the small corporations. From the standpoint of those interested in the solution of the trust problem, such a change would therefore merely mean that the trust was relieved of the competition of its weaker American competitors and thrown into competition only with foreign competitors, and that the first effort to meet this new competition would be made by cutting down wages, and would therefore be primarily at the cost of labor. In the case of some of our greatest trusts such a change might confer upon them a positive benefit. Speaking broadly, it is evident that the changes in the Tariff will affect the trusts for weal or for woe simply as they affect the whole country. The Tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also.

The Senator from Minnesota will, of course, recognize that as a speech delivered by ex-President Roosevelt in the Senator's own State, and at a time, I presume, when the Senator was with the President.

*Free-Trade Would Not Do in the Case of All Trusts.*

Mr. CLAPP. Mr. President, without any egotism or any reflection upon

ex-President Roosevelt, I recognize it, with the exception of one single word, as the speeches and utterances of Republicans indiscriminately and everywhere. Perhaps he has put it a little better than I have been able to put it a hundred times on the stump, with the exception of one word there, and that word means everything. When any man says, speaking of problems as broad and as complex as the American economic problems, that no change can effect a given result, he is careless and indiscriminate in the use of language, because there are exceptions to all rules, and, I contend, this is an exception. More than that, at the very outset of my remarks, I pointed out the distinction between the ordinary trust, where the problem involves a Tariff upon a distinct article, produced as a distinct article, and a problem like the one in hand, where it involves a Tariff upon practically and incident to a greater production. It is true that if the United States Steel Company, for instance, absolutely required a duty to maintain its operations in this country, then to strike the duty off the article which that institution produces would not solve the trust problem, only in so far as it might produce chaos and disaster to an American industry; but if in a struggle between two corporations or trusts—and I may as well use the latter word—one of those trusts gets a great advantage over the other because that particular article is Protected, and yet the Protection upon that article does not involve the life or the vitality or the endurance of the trust, the removal of that duty is in the interest of competition and not destructive to any business condition or American economic or industrial energy. The Beef Trust gets this advantage.

*When the Farmers Were in the Clutches of the Leather Trust.*

Mr. WARREN. Mr. President, the Senator from Minnesota has evidently well stored his mind with information on this subject, and while speaking of trusts, including the Meat Trust and the Leather Trust, I should like to have him give me some explanation of this fact: When we were in the clutches of the Leather Trust,

and before complaint had been made of the Beef Trust, and before the enactment of the Dingley law, hides in Chicago were 4 cents. I have the statement of the Boot and Shoe Recorder to prove that. They were so cheap that in remote places the farmers could not ship them to market, because the hides would not bring even the freight charges upon them. As I have said, we were then in the clutches of the Leather Trust, composed of hundreds of tanneries. Since the time the Beef Trust is alleged to have taken up the matter of hides, the prices have advanced, and the farmer gets the benefit of that advance; and yet those consumers who buy shoes pay exactly the same price for shoes that they did then and before that time.

I should like to have the Senator show me and show the Senate to what trust he proposes to pay his respects and to what trust he thinks we should turn our attention and destroy. I should like to have him tell us, furthermore, how he is going to prevent the Meat Trust going to South America and buying hides and tanning them on the Atlantic coast, if that trust wishes to do so, the same as the Leather Trust does.

It seems to me that if we can get the trusts by the ears and competing against each other, so that both the producer and the consumer can have good results—the producer a higher rate and the consumer a lower, or, at least, no higher rate—then we had better permit the two trusts to go on in the laudable work of competing with each other, instead of surrendering one to the other, as the Senator's remarks would seem to indicate.

#### *No; They Would Not Agree to That.*

Mr. DIXON. Will the Senators from Minnesota and Massachusetts agree, then, if we put hides on the free list, to put leather and manufactured products of leather on the free list?

Mr. LODGE. It would be exactly like putting paper on the free list because you put pulp logs on the free list.

Mr. DIXON. Not in the least degree.

Mr. LODGE. Why not? One is the raw material of the other.

Mr. DIXON. Does the Senator from

Massachusetts, whom we have followed patiently through all these Tariff discussions, say, as a Republican, that hides should go on the free list and at the same time maintain the duty on leather?

Mr. LODGE. No; I do not say that.

Mr. DIXON. And leather products?

Mr. LODGE. I say the duties on leather should be reduced; and they are.

#### *A Question of Consistency.*

Mr. DIXON. The Senator from Massachusetts does not answer my question. Is there any consistency in the attitude of the Senator from Minnesota or that of the Senator from Massachusetts?

Mr. CLAPP. I beg the Senator's pardon. Another Senator can not answer as to my consistency. I will myself answer as to that.

Mr. LODGE. The Senator from Minnesota will take care of himself, and I will take care of the inconsistency part when I get the floor.

Mr. DIXON. All right. I will address my remarks specifically to the Senator from Minnesota. Is there any consistency in advocating the taking of the duty off of hides, which 5,000,000 farmers in this country produce—

Mr. CARTER. Nine million.

Mr. DIXON. I will accept the suggestion of my colleague—which 9,000,000 farmers in this country produce, and at the same time maintain any duty on leather or its products?

#### *How the Tanning Industry Increased Under Dutiable Hides.*

Mr. WARREN. As to the tanners, the number of establishments in 1880 was 5,628. This, it will be observed, was before the time of the Tariff. The number of tanners in 1890, ten years of free hides, had been reduced from 5,628 to 1,787, and there was no talk in those days about the Meat Trust. The "Meat Trust," so called, was not then tanning any hides. The capital invested in 1880 was a little over \$73,000,000, and it increased in that ten years to about \$98,000,000, an increase under free hides of something over \$24,000,000, or about two and a half millions per year.

Now, starting from 1900, after there had been a duty put upon hides, and

running up to 1905—and I quote 1905 and 1900 so that we may have the official figures of the United States census—we find that, while the increase under free hides had been but two and a half million dollars a year, under dutiable hides, in the five years from 1900 to 1905 it had been thirteen and a half millions a year. In other words, the tanning industry increased over four times as fast under dutiable hides as under free hides. The value of the product from 1880 to 1890, ten years of free hides, had been reduced from two hundred million and something to a hundred and seventy-two million and something, showing a decrease in ten years of over \$28,000,000.

Mr. CLAPP. What ten years?

Mr. WARREN. The ten years from 1880 to 1890, when hides were free. Instead of a decrease of \$28,000,000 we have here an increase in the next five years of over \$48,500,000 to the credit and success of the tanners, under dutiable hides.

#### *They Prove Too Much.*

I think this is particularly apropos just now. I have in my hand the Boot and Shoe Recorder. It is the official paper of the boot and shoe and tanning interests; and not only that, but this is a special issue. Of course you will notice it is yellow—merely a coincidence, perhaps.

But it devotes an entire page to the Senate and House of Representatives, and it is the boot and shoe and tanning interests' direct communication to us. Now, as to the duty on hides and whether it benefits the farmer or not, let us see what they say. They are undertaking to prove that it does not, and they prove too much. They say:

Prior to the Dingley Act the price of packers' cow hides was 4 cents; to-day it is 13½ cents.

Does the raiser of hides in the Western country get any benefit from the difference between 4 cents and 13½ cents; and if not, why not? I want to tell the Senator that during the period of free hides there was a group of States in which hides were hauled out and buried. The farmers there paid the duty on the harness worn by their horses, upon which 45 per cent Tariff is imposed, and they paid 25 per cent duty upon boots and

shoes worn by themselves while carrying those hides out for burial, because the Leather Trust in the East bore down on the price of hides and would pay the packers in Chicago but 3 and 4 cents. Therefore, and for that reason, the packers have gone into the business of tanning the hides, and have resurrected the farmers' values on hides. That fact and the Dingley law have put the far Western farmers and cattlemen where they have been able to get some profit from the raising of cattle where they had none before.

#### **The Farmer Is Entitled to the Same Protection That the Manufacturer Is Entitled To.**

*From the Congressional Record of June 19, 1909.*

PORTER J. McCUMBER, of North Dakota. The farmer, before he starts to produce the hide, must invest a very large sum of money in the land; that is, his machinery. He must then plow that land; he must open up the farm. He must buy plows and harrows and tools. He must then plow his land. He must harrow it. He must raise his hay. He must dry that hay; he must stack it; he must bring it to his barn; and then for five long years, on the average, he must put that through the maws of a steer and convert it into a hide. If that is not a manufactured hide, requiring not only the process of years of labor, but also the investment of capital, then I would not know what you would call a manufactured article on the basis of labor going into the production of the article. If the farmer is entitled to the same Protection that the manufacturer is entitled to, then the product which he has manufactured should have a duty on it commensurate with the difference in the cost of its production and the cost of the production of that hide in South America.

#### **Blaine and McKinley Did Not Favor a Protective Tariff on Hides.**

*From the Congressional Record of June 21, 1909.*

HENRY CABOT LODGE, of Massachusetts. My object is simply to give



the history of the duty on hides. There was a duty of 10 per cent in 1861. It was put on in war time, when they put a tax on everything in order to raise money from every possible source.

In 1872 the hide duty was removed. It was left free in the Tariffs of 1875, 1883, 1890, and 1894.

Mr. WARREN. I was under the impression that in 1890 there was the imposition of a cent and a half a pound under certain conditions on the importations from certain countries.

Mr. LODGE. That was one of the reciprocity provisions. I should not say this Tariff imposes a duty on tea and coffee because under the maximum and minimum, under certain conditions, it might be imposed. It never was imposed, as a matter of fact.

Mr. WARREN. I think the Senator will find it was necessary later to except certain contracts that had been made that were being carried out under that provision.

Mr. LODGE. No duties were collected under it. At that time the question was mooted of putting a duty on hides, and Mr. Blaine, who was then Secretary of State, wrote a letter to Mr. McKinley, who was chairman of the Ways and Means Committee, April 10, 1890.

April 10, 1890.

Dear Mr. McKinley: It is a great mistake to take hides from the free list, where they have been for so many years. It is a slap in the face to the South Americans, with whom we are trying to enlarge our trade. It will benefit the farmer by adding 5 to 8 per cent to the price of his children's shoes. It will yield a profit to the butcher only, the last man that needs it. The movement is injudicious from beginning to end, in every form and phase. Pray stop it before it sees light. Such movements as this for Protection will Protect the Republican party into a speedy retirement.

Yours, hastily,

James G. Blaine.

Mr. McKinley so far agreed with him that he did not put the duty in the bill; and if I err as a Protectionist in my attitude on hides, I err in good company. There never have been two greater Protectionists than Mr. Blaine and Mr. McKinley.

*Blaine Was Wrong in His Belief.*

Mr. DIXON. The assertion which the Senator from Massachusetts has just read from Mr. Blaine's letter was that he un-

doubtedly believed at that time that an imposition of a duty on hides would raise the price of women's and children's shoes from 5 to 6 per cent, was it not?

Mr. LODGE. That is what he said.

Mr. DIXON. As a matter of fact, Mr. Blaine was wrong in his belief that that would be the result, was he not? Has not the experience of the last twelve years—during which time we have had a duty on heavy hides which only go into the soles of shoes, which the shoe men themselves admit, but under the most strained construction, would add about 3 cents to a pair of men's shoes—proved that Mr. Blaine was wrong in his assumption?

*Hides Free in Nearly All Countries.*

Mr. LODGE. But, Mr. President, this general policy of the United States of leaving hides upon the free list has simply been the policy of all countries with large industrial establishments. Hides are free to-day, of course, in Great Britain and Ireland, which is a Free-Trade country, but they are also free in Austria-Hungary, in Canada, in Denmark, in France, in Germany, in Italy, in the Netherlands, in Norway, and in Sweden. All of those countries are countries with more or less high Protection. Germany has a high Protective Tariff, but they leave hides free. They believe it is of great importance to their industries that they should be free. The countries in which hides are dutiable are Australia, which is an exporting country; Cuba, Greece, Japan, Mexico, Russia, Spain, Switzerland, and Turkey, practically none of them, except Japan, being industrial nations.

The reason for that policy, Mr. President, is that the supply of hides is not sufficient in any of those countries for the consumption. For instance, in England, France, and Germany, there is less than one head of cattle to each three of population. That of itself indicates the necessity of giving every opportunity to secure hides and skins required for the leather industry.

*Boot and Shoe Industry Has Greatly Increased with Protected Hides.*

Mr. DIXON. The Senator from Massachusetts says that we are making shoes cheaper and better than they are made anywhere else in the world.

Mr. LODGE. I believe so.

Mr. DIXON. And this condition has taken place under the small duty of 15

per cent on hides, from which alone sole leather is made.

Mr. LODGE. It was built up by twenty-five years of free hides.

Mr. DIXON. I ask the Senator from Massachusetts if, since the day that the 15 per cent duty was put on heavy cattle hides—which only go into sole leather—if the exports of shoes and boots from the United States have not increased from 1897, when the duty went on, from \$1,700,000 to over \$11,000,000 last year.

Mr. LODGE. That is perfectly true.

Mr. DIXON. An increase of nearly 800 per cent.

Mr. LODGE. And the exports of sole leather have decreased.

Mr. DIXON. I beg to differ with the Senator from Massachusetts as to the exports of sole leather. The importer paying a 15 per cent duty, and having a rebate to him on the duty absolutely can go into the market in competition with the world, because the duty he pays on Argentine hides is returned to him when he exports.

Mr. LODGE. Certainly.

Mr. DIXON. Then will the Senator from Massachusetts agree to the proposition that, if we put hides on the free list, we shall also put sole leather and boots and shoes in the same class and we will all vote for it?

Mr. LODGE. Mr. President, I will agree to put boots and shoes and sole leather on the free list if the Senate will vote to put paper on the free list, because wood pulp and pulp wood and logs, which are its raw material, are there, and if they will also agree to put on the free list all the lumber because they let saw logs in free.

#### *Arguing for Free Raw Material.*

Mr. DIXON. But the Senator is arguing for free raw material. I think the Senator from Texas [Mr. Bailey] enunciated a principle the other day that is absolutely unassailable. The minute you say to the producer of the raw material "we will not protect your product but will protect the manufactured product"—when you teach that to the people of this country and write it into the law, that day, I think, strikes the death knell to the Protective Tariff system in the United States. I know how difficult it is for men, under pressure from home and the various localities that are affected sometimes adversely, not to yield.

All of us have voted for schedules in

this bill that in some respects may have been adverse to the communities in which we live. The inconsistencies of which the Senator from Massachusetts speaks are the weaknesses of this Tariff bill. The fewer inconsistencies we have the better. We want to be prepared to go to the country and say that we have passed a Tariff bill "on the square" that recognizes all sections and all industries.

#### *Unless the Farmer Is Protected There Will Be No Protection.*

Mr. CARTER. I ask the Senator if he will not concede that the Tariff duties provided by the Wilson Act injuriously affected the manufacturing interests of New England?

Mr. LODGE. They injuriously affected the manufacturing interests of the entire country.

Mr. CARTER. I call the attention of the Senator to the fact that no Protective Tariff bill would have been written on the statute books of this country for the last twenty years had it not been for the votes of the States especially interested in protecting these ranchmen and farmers.

The Senator may as well now and henceforth understand that if everything we produce in the West and on the farms of this country is to be regarded by the manufacturers as a raw material, then the day has dawned when this system must fall. The Senator may as well take into account the fact that the farmer who sells the hide of the steer in open competition in the hide market of the world will no longer continue to pay a duty on the harness he puts on the horse or the shoes he puts on his feet.

#### *Packers Are Not Asking for a Duty on Hides.*

Mr. WARREN. The Protective-Tariff policy is upon the theory that it will protect and raise the price oftentimes to the producer, and the best part of it is that generally it does not raise the price to the ultimate consumer. There is not in all the history of the Protective Tariff so plain a case as this one is. The Tariff upon hides has never cost the consumer of shoes or leather a penny, and yet it has added to the farmer sufficient to enable him to raise the price of hides. He formerly could get nothing for them in some of the remote sections of the country. It increases his profit and greatly

enlarges the number of cattle to keep up with the growth of population here. As I said, whatever that difference is it is absorbed in between. If the Senator thinks the shoe manufacturers are reaping the whole benefit he is simply mistaken.

Mr. BEVERIDGE. That is to say, it is taken out partly from the pockets of the tanner, and in this case it happens to be the packers, and it is taken out of the pockets of other manufacturers. If that were true it would seem strange that the packers are the people who are most earnestly demanding a Tariff on hides.

Mr. WARREN. There is no packer in the United States who has said a word here on the subject or who has made any such application. The Senator is mistaken. The packers are not here asking for a duty on hides. I challenge the Senator to produce any evidence of that kind.

***Fear that Independent Farmers Would Be Put Out of Business.***

Mr. LODGE. I want to say only a few words more in conclusion. I have spoken thus far about the shoe manufacturers. I want to say a word about the tanners. It is the tanners who are most seriously hurt. Their industry is very greatly affected. There is no doubt in my mind that there are a thousand tanneries scattered around the country which are being gradually extinguished by the packers, and that movement is progressing. I have here a list of the tanneries which have been taken possession of by the Chicago packers alone, and it shows a total of over 30 tanneries in 11 different States. I think they are going to put the independent tanners out of business. I think the two combinations in leather, the American and the United States leather companies are bound to enter into combination with or be absorbed by the packers. I believe that the entire tanning business is destined to fall into the hands of the packers, and under one great concern.

It is because I think that the independent tanners will be put out of existence, and to give them an opportunity in the world's market would save the industry from the course on which it is now going, that I feel a great and especial interest in this schedule. If I believed that this duty went into the pockets of the farmers I should hesitate very long before I took this position. I have never

been satisfied that it did. I honestly believe that it does not; that, if it goes anywhere, it is absorbed elsewhere. For that reason, Mr. President, I have done what I was very reluctant to do—made up my mind to oppose the recommendation of the Finance Committee.

***The Prosperity of Each Is Vital to All.***

We of New England know that the welfare of California, the development of her industries, and the exclusion of Asiatic competition from her coast are as important to us as they are to her, and to all that great and noble region of our country. We know that the prosperity of Kansas and Nebraska, and of all the great wheat-raising and corn-growing States of the West is vital to our prosperity. We feel more keenly, perhaps, than any other part of the country the importance of steady and widespread prosperity throughout the South, for on her great staple our largest industry depends.

We have long since learned the lesson that our own prosperity is indissolubly bound up with that of all parts of our common country. All we ask is that the same feeling should be returned to us, and that our brethren of the other States should realize that in the East and in New England they find their best market, their best customers, and a great deal of the capital which they need for their own development.

I use Massachusetts only as an example of New England and the East. We have won prosperity and we have won it through no chance gifts of Mother Earth, but solely by the brains and the energy, the intelligence, courage, tenacity, and education of our people—the naturalized and the adopted as well as the native born. We have not snarled or grumbled at the prosperity of any of the other States. We have not sought to injure or destroy the success of other Americans anywhere. We have rejoiced in it. We have been content to do the best we could under the conditions imposed by nature and by the legislation of the United States and we have succeeded and achieved a hard-won prosperity. Under the economic policies which the Government of the United States has adopted we have built up our industries and added thereby to the capital, the wealth, and the prosperity of the whole country. We do not come in forma pauperis to sue for favors, or in the guise of robbers to plunder others

for our own benefit. We come to the council table of the Nation, to whose up-building we have contributed, with a deep consciousness that there is no prosperity worth having which is not part of the Nation's prosperity, and we ask only that we should be dealt with according to our merits and that our great industrial population should receive the same treatment and consideration as that which is accorded to all Americans in all parts of the United States.

### Free Hides Would Increase the Profits of the Most Gigantic Leather Trust the World Has Ever Known.

*From the Congressional Record of June 21, 1909.*

THOMAS H. CARTER, of Montana. Mr. President, should I yield to my impulses in treating this subject, I would be content with the citation of a very few figures, and they would apply to the voting strength in this Chamber and the consequences to follow, placing this particular article on the free list.

With some amazement I listened to the mixture of eloquence, argument, and apology by the senior Senator from Massachusetts [Mr. Lodge]. I could not but recur to the pages of this bill over which we have passed and consider what had been done while listening to what he said. In this bill we have Protected every product of New England and the Eastern States generally, whether of wood, or iron, or cotton, or wool, or any of the great staples entering into daily consumption in all avenues of life. Of course, all products of the hides of animals are Protected according to the judgment of those engaged in the business to the measure of Protection required.

Not content with Protecting the print-paper pulp, not content with Protecting cotton and woolen goods and cutlery and all manufactures of iron, we actually were called upon by the senior Senator from Massachusetts to stop an inundation of eels coming in as a supposed product of the pauper labor of Europe. The call for Protection came from all along the New England coast, and strange to say, we from the Rocky Mountain States, who have never seen an eel except when visiting the seacoast,

voted to put a duty on eels; and then in order that no raw material might escape, we actually went up to Vermont and put a duty on the sap running out of the maple trees. If you can point to anything manufactured or produced along the northeastern coast that is not provided for by some kind of Protection in this bill, I am sure some Senator from that vigilant New England band will come forward to offer a rate of specific duty for its Protection.

### *Protection for Almost Everything.*

We are called upon to put a duty on the combination of sand and natural gas, the one found in the channel of the stream and the other flowing out of the earth, as the raw material of glass. This raw material is to be Protected, and the Protection increases when it reaches certain forms of plate glass. The knife we use to skin the beef is subject to a Protective duty; the shoes the farmer wears you will find in this same bill with a Protective duty; the harness on the horse, the saddle upon which the farmer rides, are all Protected amply; yet the senior Senator from Massachusetts [Mr. Lodge] rises in this Chamber to echo the voice of a propaganda which had its origin not in a desire to alleviate the sufferings of any class of people, not to cheapen a necessity of life, not to give another day's labor to any human being, but to increase the already swollen profits of the most gigantic leather trust the world has ever known.

It may be well to take into account the arguments used. It has been suggested that if we take the 15 per cent duty off of hides, the laborer making the shoes will be paid a little more, the farmer will buy his shoes cheaper, and then the retail merchant can make a better profit. The Senator from Massachusetts readily concedes that the industry of making shoes, the making of harness, and all the products of leather is generally in a prosperous condition. It is useless to argue otherwise, because it is a notorious fact that greater progress has been made in this line of industry than in any other of all the chief industries of the country.

### *A Confidence Game on the Farmer.*

Mr. President, the raising of cattle is a great industry, widely scattered over the country. The farmers are about 9,000,000 in number, and, counting five to

the family, there are between forty and fifty million people raising cattle, to a greater or less extent, on the farms large and small. To these people the crusaders for free hides present these arguments: "First, you will get the products of labor cheaper; you do not get the benefit of the present duty anyhow; you are cheated out of it by the packers; and the best thing for you, Reuben, is to take this 15 per cent out of the equation and let the hides you have to sell go on the free list, while we keep all the things you have to buy that are made of leather on the dutiable list."

If a confidence man at a circus ever presented a less plausible proposition to a farmer than that, he certainly was wanting in wit. [Laughter.]

The farmer has been the victim of many curious games of confidence, but never before has his intelligence been so discounted as in that form of presenting this argument: "First, the duty does you no good; we will therefore take it off; but the duty on leather will do the man who makes it some good; the duty on shoes will be of benefit to the manufacturer of shoes; and the duty on harness will benefit the manufacturer of harness; and therefore we will leave these duties on; and you buy in this Protected market and sell in the open markets of the world the thing you have to sell."

#### *A Matter of Consistency.*

Mr. President, as representing a State having a large number of farmers, I want to sum up the position in a very few words; and I believe there are 22 Senators on this floor who have with fidelity supported this bill who are prepared to say the same thing and act in accordance with the declaration, to wit: "If you desire that what the farmers have to sell shall be sold in the open market without any Protection, we shall regard it as our duty to see that the things they buy are bought where they can be bought the cheapest in so far as leather products are concerned." How can the Senator from Vermont [Mr. Page], whose maple sugar has been Protected, ask us to continue to sustain a proposition like that; or the Senator from Massachusetts [Mr. Lodge] ask us to stand by the duty on eels, which he regards as a manufactured product, no doubt, while we except this great product, amounting to \$16,000,000 a year in Protective duties to the farmers of the

country from the dutiable list and place them in competition with the Argentine and other cattle raisers?

Mr. WARREN. Mr. President, in speaking of the farmer a moment ago, I did not mention the fact, which ought to be mentioned, that there are anywhere from one to two million hides called "fallen hides." A hide taken from an animal that is killed by accident or dies is the only return the farmer gets for that animal. That is all he has to sell of that animal, which has cost him as much as the rest.

If it is desired that leather and all the products of leather shall be free, well and good. The farmers of my section will be content, but they will not be content to leave the products of the hides on the dutiable list while they sell in competition with the man from the Argentine Republic.

It will not answer for us to go home and repeat to our constituents, who know better, the

#### *Puerile and Trifling Suggestions*

here made that they receive no benefit from the duty on hides, and therefore it is just as well to take it away from them. They are not children. You are dealing with a good, husky, lusty, vigorous body of people, who know something about their own business and are determined to have their rights in a general adjustment of affairs; and every Senator from that section of the country is here to maintain those rights. If those who elect to break down the Protective-Tariff policy persist in beginning the operation on the farmer they will find a resistance that will be most wholesome and effective. While I believe in the general prosperity brought to the country by preserving the American market to the American workman, the farmer of the United States must not be excluded from the body of toilers entitled to the benefits, and we do not propose to see him excluded in this case. That had just as well be understood now, and for good.

#### **"There Should Be No Tariff on Wood Pulp."--Theodore Roosevelt.**

*From the Congressional Record of June 22, 1909.*

NORRIS BROWN, of Nebraska. This subject is a most interesting one, yet I am not disposed to keep the Senate here

any length of time in its discussion. While I do not want to start any trouble in this Chamber, I have made up my mind, at the risk of starting a panic in this body, to read a line from a message sent to Congress by President Roosevelt:

There should be no Tariff on any forest product grown in this country; and, in especial, there should be no Tariff on wood pulp; due notice of the change being of course given to those engaged in the business, so as to enable them to adjust themselves to the new conditions. The repeal of the duty on wood pulp should if possible be accompanied by an agreement with Canada that there shall be no export duty on Canadian pulp wood.

This was one of the standing and publicly declared policies of the late President, Mr. Roosevelt. I call the attention of Republicans in this Chamber to the fact that the plank in the last national platform that won the election for the presidency last year was the plank that pledged the carrying out and fulfillment of the Roosevelt policies. My friends on the Finance Committee and other friends off of that committee must not point their fingers at those of us who are fighting now to carry out one of those policies. We are the Republicans on this issue.

#### *Will They Reduce the Price of Their Newspapers?*

Mr. TILLMAN. The Senator is here in the interests of free newspapers and is advocating free paper. Of course, I understand the political significance of that, and I wanted to know if it involves a terrible catastrophe to and an obliteration of these headlights of information—the newspapers. If they get free paper from Canada, will they sell their papers at half a cent apiece instead of a cent, or will they cut the price from 3 cents down to 1 cent? Tell us what will be the ultimate result of this. Who are the beneficiaries?

Mr. BROWN. I will ask the Senator from South Carolina if these improved processes reduced the price of paper?

Mr. TILLMAN. That has nothing to do with the case. I want to know where your interests lie.

Mr. BROWN. My interest is with the consumers of this country.

Mr. TILLMAN. The ultimate consumer is the man who buys the newspaper.

Mr. BROWN. He is the ultimate consumer.

Mr. TILLMAN. The question is

whether he is going to get more newspapers for the money than he gets now.

#### *No Reduction to the Ultimate Consumer.*

Mr. FRYE. In reply to the question asked by the Senator from South Carolina I will state that every newspaper man who was asked the question whether or not he would reduce the price of his paper with paper and pulp on the free list promptly replied, "No." He was then asked if he would reduce the price of advertisements, and he said, "No."

#### *Humbugs and Whited Sepulchers.*

Mr. TILLMAN. Agreeing to all that has been so eloquently said by the Senator from Oklahoma [Mr. Owen] the point with me is to find out how it is and why it is that the Senators on the other side who are so solicitous about the welfare of American industries in protecting them and looking after labor and all that kind of thing have found it in their hearts to interfere with the spread of light by newspapers; and, wonder on top of wonders, some of these very newspapers are the headlights of Protection that are clamoring for Free-Trade for the articles which they use, and deny me the opportunity to buy this coat without a Protective Tariff, these pants, these shoes, everything that I have. They are humbugs and whited sepulchers—that is what they are.

Mr. FRYE. Mr. President, only 20 per cent of labor in the making of paper is skilled labor. The Canadians have very largely drawn from the States for that skilled labor, and they do pay for such labor as high wages as are paid in the United States; but 80 per cent of the labor employed in Canada receives at least 30 per cent less wages than labor does in the United States, and Mr. Mann, in his speech practically admitted that there was a difference in the cost of labor between the two countries.

#### *Paper Nowhere so Cheap as Here.*

Mr. GALLINGER. The Senator talks of "hold-up prices" of paper in this country. In what other country is print paper as cheap as in this country?

Mr. BROWN. I do not think they sell it cheaper in other countries, or so cheap as they do here.

Mr. GALLINGER. They do not. If the Senator will visit the mills of this country we can show him a great many Canadians working in those mills. The men

who go back, of whom the Senator spoke a little while ago, because they can live better in Canada and get better wages, go back there because they have accumulated money enough in the United States to enable them to go back and live in comfort.

Mr. BROWN. Does the Senator want to be understood as contending that there is any substantial difference between the labor cost in print paper mills in Canada and those in the United States?

Mr. GALLINGER. I wish to be understood exactly as saying that; and I will endeavor to demonstrate it in my own time.

### **Pulp and Paper Industry Assists in The Conservation of the Forests.**

*From the Congressional Record of June 22, 1909.*

EUGENE HALE, of Maine. On this important phase of the subject, the conservation of the forests, I want to bear some testimony in favor of this industry, which to-day is so seriously attacked. I had never known in Maine anything like good husbandry and good housekeeping in the care of timber lands until the introduction of the pulp-paper mills and the accumulation of large tracts of land which furnish the supply largely for these mills. The inspection, the guardianship, the system of cutting and preserving the smaller trees is all a part of the work and the management of the pulp and paper mills.

Mr. FRYE. And 'precautions against fire.

Mr. HALE. The precautions also, as my colleague has said, against fire, which our people in a reckless way never considered before, but always are a part and parcel of the general management of these companies that are assailed so fiercely here. The track of fire from railway trains, from sportsmen, from hunters, from tramps, does not visit the land of the pulp and paper companies, because they assume at all times the Protection and conservation of these great products of wood and lumber.

Moreover, it is to the credit of those companies and their management that instead of cutting and slashing broad and large, and clipping off and leaving waste thousands and tens of thousands of acres which they might do, they, by a careful

conservation, supplement their supplies in the purchases that they make of the Canadian product at a sacrifice.

I know something about this industry in Maine. My colleague and I know how they have revolutionized the care and conduct and preservation of the forests. If you legislate against them and throw it into the hands of their Canadian competitors, but one result is inevitable. They are obliged then in a short time to cut and sweep off and destroy the lands that they own in the State of Maine to do their business, and that we are seeking to protect them from. That is a feature which has not been thought of and has not been considered by many Senators, but we know what it is in the State of Maine and how they are conducting their business and saving our forests. It is one of the beneficent things for which they should be given credit.

### **Great Development of Canadian Competition.**

But does not the Senator know that the development of Canada in the last ten or fifteen years, since the amplification of their great railway lines throughout the Dominion, has been very great, and that Canada is becoming a hive of industry and with a high Protective Tariff upon everything is producing the very articles to which the Senator has referred, particularly steel. She is not the Canada of a few years ago. She is not dependent upon us. She is becoming not only a great granary, but a most formidable competitor, a great manufacturing community, and a great commercial community. She is a different country; Canada is not what she was twenty years ago. The physical advantages, instead of being with us, are all with Canada. She has immense forests untouched by the hand of man, lying at near approach, and never visited by the axe; she has waterways and water power, and she has almost unlimited agricultural resources, capable of marvelous development in the future. So, I repeat, the physical advantages in this industry are all with Canada, and not with us. This industry is contending against these mighty forces which nature has arrayed for Canada and against us. This industry is fighting against all of these; and the Senator is fundamentally and profoundly wrong when he says that the advantages are with us.

### Was There Any Reason for Protecting Hides That Would Not Apply to the Protection of Calfskins?

*From the Congressional Record of June 22, 1909.*

PORTER J. McCUMBER, of North Dakota. No argument, however specious or otherwise, can in the slightest degree obliterate the two great principles that are affected by this proposed amendment. The one is that the farmers of this country do get a benefit of 15 per cent duty upon the hides. The second is that they would lose that 15 per cent benefit and that they would get nothing in return, and the leather-manufacturing interests would secure the only benefits under this amendment.

Mr. President, if we were to search for some great example to portray the limit of human ingratitude, we could scarcely find a more apt one than this attempt on the part of the manufacturers of leather and leather goods to deprive the stockman and the farmer of the little remnant of Protection which has been left to him upon hides.

By the Dingley law hides were given a Protection of 15 per cent ad valorem, a meager duty, indeed, Mr. President, when compared with other Protective duties. The leather-manufacturing interests, ever alert to secure advantages, secured a ruling from the Treasury Department that while skins of cows and steers were hides, that skins of calves were not hides.

#### *Free-Trade in Hides by Means of Classification.*

So all the calfskins that enter into our fine shoes come in free of duty, because they are not hides. Having made this decision, wherein the stockman and the farmer lost by a single blow the Protection on nearly one-half of their hide products, it became necessary to establish some rule to determine when a calf ceases to be a calf. The hide itself did not seem to give very much information to the custom officers upon this subject of age, and so some other scheme had to be adopted. It was finally determined that if a green hide weighed less than 25 pounds, it was not a hide, but a skin; that if a sun-dried and salted hide weighed less than 15 pounds, it lost its cognomen of "hide" and also became a skin; and if a sun-dried and arsenicated without salt hide weighed less than 12

pounds, it also lost its hide character and became a skin.

Now, every one of these skins gets in absolutely free of duty. Was that the intent of Congress at the time it passed that law? Was there any reason for putting hides upon the Protected list that would not also apply to the placing of calfskins that went into the higher-priced shoes upon the Protected list? What reason is there for placing a duty on what is called commercially "hides" that does not also apply to what is known commercially as "kip" and as "calf" skins. Why should there be Protection on hides without any corresponding Protection upon kip or upon calf? It requires the same amount of labor to produce one as the other, except that the continuing time and continuing labor may add a little more value to the one than the other from the labor standpoint.

The Senator will remember that when we went from free hides everything had been placed upon the free list prior to the Dingley law. Not only the kip, but the calf and the heavier hides were on the free list. Then we discussed this matter in Congress. I can not find anywhere that there was anything in the debate that led the farmer to believe that the hide of his calf or his yearling was not to be Protected. There might have been some understanding with certain Members that they were to make a distinction between the hides of cows and steers above a certain age and hides that weighed a less number of pounds than other hides.

#### *No Logic in the Distinction.*

There is no logic whatever in making this distinction between the character of the hides upon the cow and the steer and the hide upon the yearling and the calf. So glaring is this inconsistency that it has been surprising to me that neither the Senator from Montana [Mr. Carter], in whose State an immense quantity of cattle is raised, nor the Senator from Wyoming [Mr. Warren], who has discussed this question very fully, has attempted in any way to place the duty back upon the calfskin and the kipskin.

A generously inclined Democrat in the goodness of his heart, observing this inconsistency, has come to the relief of the Republican Senators and asked them to place the kip and the calf upon the same basis that we place the cowhide; and I, for one, think that is absolutely right. I



do not know what his view is as to whether this duty should be 15 per cent or 20 per cent, but I do know his view is correct, that there should be no difference between the cow-hide, the kip hide, and the calf hide.

I share in the glory of the Republicanism of the State of Vermont during all of these years, and I am sorry myself to see that glory dimmed in any respect by her coming now before the American Congress and asking us to surrender Protection in the West for her special benefit or for the benefit of one class of her citizens, because I do not think that it is for the benefit of the farming communities, even of the State of Vermont.

Let us not for a moment forget that

***Nothing Which the Farmer Produces Can Be Properly Said to be Raw Material.***

Everything is the product of years of labor. Our schedules show that the farmer's Protection, outside of wool, runs from 15 to 20 per cent ad valorem, on wools about 45 per cent ad valorem, while the manufacturer's Protection runs from 15 to 100 per cent ad valorem.

I think, if I had time, I could demonstrate that there is not a single thing that is produced upon the farm that does not require more labor to produce for the value that is received for it than any manufactured product in the whole United States.

We can divide this country into two great general classes—the farming community, about one-half of the population, which produces the things to eat, and the remainder of the people of the United States producing the things to wear and to shelter us and to transport those things from one part of the country to another; and one trades his commodity for the commodity of the other. If it is essential to the prosperity of the farmer that the manufacturer should be prosperous and thereby enabled to pay a good price for the farmer's product, the reverse is equally true, that the prosperity of the manufacturer depends upon the ability of the farmer through prosperity to purchase the manufacturer's products. The farmer stands ready to give the Protection to the manufacturer necessary for him to compete against cheaper foreign manufactured products. He demands in return, and he rightfully demands, equal Protection against cheaper foreign agricultural products.

Would the Senator from Vermont deny him that right?

***Farmers Come To the Front When Protection Is Endangered.***

When your manufacturing Democratic cities vote the Democratic ticket, you pray for clear weather that you may get the farmer vote to overbalance the Democratic manufacturing votes. Mr. President, you have had throughout the United States no such staunch, unyielding friends for the cause of Protection as are found in the rural districts in the United States. They have come to the front every time that the Protective principles of the country have been endangered.

Now, if the manufacturing section will just remember that the Protection which is guaranteed them by the consumers demand reciprocal consideration, if they will get it out of their minds that they must have free raw material for all their factories while holding the monopoly of the American trade for their product, their attitude will bring about a far better solution of the Protection question and place that principle upon a far safer and more enduring basis.

In the discussion of this subject I have heard the word "threat" used. Mr. President, no threat has been uttered. A prophecy has been uttered. The principle of Protection is either a national principle or it is nothing. It has got to have universal support or else it has got to go to the wall. You can not Protect your manufactured articles and say to the farmer that he shall not have Protection as against cheaper foreign production upon those things that he puts years of labor upon.

***We Must Stand or Fall Upon That Principle.***

And certainly, if Congress should so far forget itself that it will vote for no Protection to the farmer's product, while voting a duty for the manufacturer's product, certainly we must then agree that the farmer's representatives can not vote a Protection for their product. We have either got to stand together for the Protective principle or to go together for the Free-Trade principle.

If there is to be a Protective Tariff, the farmers and the stock raisers are entitled to an equal share in its benefits. A proposition which denies them the

right to free access to the markets of the world for their purchases and at the same time forces them in competition with the lower priced products of the world in their sales is a monstrous proposition. If they are compelled to sell their products in competition with the cheaper products of the world, then they are entitled to purchase their products upon the same basis.

If the American stock raisers and farmers must patronize the American Protected market when they buy an article, they have the right for a Protected market when they sell an article.

#### *Difference in Cost of Production.*

Mr. President, it costs the American farmer and stockman far more to raise his cattle than it costs to raise cattle in Argentina or any other place in South America. This 15 per cent duty, in my opinion, does not measure one-half of the difference between the cost of production at home and abroad. It ought to be doubled.

The Senator from Vermont will agree with me that the principle of Protection ought, at least, to measure the difference between the cost of production at home and abroad. Does this 15 per cent duty equal the difference between the cost of production of a steer or a cow in South America and in the United States? If it does not equal that, then should you not apply to my manufactured articles the same principle that I have tried to apply to yours?

Does it not conclusively follow that by the removal of the Tariff on hides the cost of the product will be lessened to the extent of the Tariff reduction? In other words, the value of the American hide will have to drop to meet the reduced cost of the foreign hide, and when the Tariff is added it adds so much to the value of the American hide.

Let me give a definite case: Here is a lot of hides from Argentina, landed in the port of New York. They cost the importer, after he has paid, say, \$15 duty, \$100. Here is another lot of hides of the same quality and value lying in a New York warehouse for sale. Does any Senator seriously claim that these latter hides can be sold for more than \$100, the price paid for the imported hides? Their price will be fixed by the cost of the imported article, including the duty paid.

#### *Self-Sacrificing Inclination of the Shoe Manufacturers.*

Mr. President, I am not unmindful of the fact that a great many of these shoe manufacturers say that they would prefer to have free hides and free shoes than to have Protected hides with Protected shoes. Their self-sacrificing inclination is certainly beautiful to behold, and would be very impressive if we did not stop to analyze it. They have had sufficient Protection for probably half a hundred years to keep out foreign shoes altogether and give them exclusive control of the splendid American market. They have developed their plants and their machinery in this atmosphere of Protection until they have reached a degree of perfection and economy in the manufacture of shoes that have enabled them, after meeting the home demand, to enter the foreign fields of consumption against the foreign manufacturer not only by exports, but by establishing factories all over Europe. They are employing cheaper labor over there; they are developing their trade enormously, and are now saying to the American people, "You have given us this Protection; you have helped us until we got on our feet; you have shielded us against foreign aggression, until we have your market, and until we have built up our factories in the Old World. You can now go to the equator; we do not care whether there is a Tariff or not. Why, if you keep the Tariff on we will supply the American market from the American factories. If you take it off we will be able to supply the American market from our European factories. We have got you both coming and going."

Mr. President, I not only want this Tariff of 15 per cent upon hides, but I want a Tariff of at least 25 per cent, not only upon hides, but upon kip and upon calfskins. I want the foreign article legislated against by a Tariff duty to an extent that will make the home market so valuable that the hide product will be increased until it supplies the home demand.

#### *There Will Be No Reduction in Price to the Consumer.*

I carried on this colloquy a little longer than I intended. I have, I think, demonstrated one thing, and all agree with me upon that; first, that the 15 per cent duty is a benefit to the farmer. I think I

have demonstrated another thing, that the farmer ought to have double that instead of 15 per cent. I think it needs no demonstration whatever to convince every Senator that if he is entitled to 15 per cent or 30 per cent upon the hide he is entitled to the same amount upon the kip and upon the calfskin. I think it is almost self-evident to everyone that we are not going to get any reduction in the price of the manufactured article by reason of taking off the Tariff. There is just one thing that will reduce the value of the manufactured article, and that is hard times, when the consumer will not be able to pay the present price; and if we have good times, as I believe we will when we get through with this Tariff, the chances are that it is going to raise the prices about to the ability of the American consumer to pay, Tariff or no Tariff.

### **Removal of the Duty on Hides Unfair and Unjust to the Farmers of South Dakota.**

*From the Congressional Record of June 22, 1909.*

ROBERT J. GAMBLE, of South Dakota. South Dakota stands ninth among the States of the Union in its live-stock interest. As shown by the report of the Secretary of Agriculture, it had on January 1, 1908, a total of 2,034,000 cattle and milch cows, with a farm valuation of \$42,663,000.

The people of the State therefore have a vital and a pressing interest in the question now under consideration. They feel the rate of duty proposed is just and equitable, and that they are beneficiaries thereunder. To remove the present rate of 15 per cent and subject them to the free competition of the foreign producer, to my mind is unfair and unjust, and under the conditions proposed is utterly indefensible.

If, however, the farmers and stock raisers of the country had the slightest assurance that by a removal of the duty any benefit or advantage whatever would inure to them or to the general public, in the lowering of the price of boots and shoes, or of any of the products of leather, there might be some reason or justification upon which to base this demand. But neither from the witnesses who testified in the hearings before the Ways and Means Committee of the House

or before the Finance Committee of the Senate, nor in the speeches that have been made here, has any assurance been given that any benefit, direct or indirect, would accrue to the consumers of leather products, or that the prices in any respect would be lowered.

### ***False Doctrine that the Hide Is a Raw Material.***

Mr. President, for such a demand to be made, and under such circumstances, it seems to me unfair, unjust, and, to state it mildly, utterly selfish. The proposition made is that the farmer and stock raiser are to be sacrificed, and they are to be stripped of the Protection afforded them, while the tanners and the manufacturers of boots and shoes and of all the products are to retain the rates of duty under the provisions of the bill. The further suggestion is made that the hide of the steer is the raw product, and, under the rule proposed, should be admitted free of duty. This, it seems to me, is a false doctrine, and, in fairness to the farmer, can not and should not be urged. It has already been fully answered, and I do not feel like trespassing upon the patience of the Senate to review it. But the steer is the product of three or four years of care, of expense in capital invested in the farms, in wages paid to employees, in the consumption of the products of the farm on which he is fed to maturity, including the risks of loss by disease or otherwise. To the farmer the steer ready for market, with the hide, is the finished product as far as he is concerned. Technically, the hide may be the raw material to the tanner. But it is no more the raw material to the tanner than the product of the tanner is to the maker of boots and shoes, or to the harness maker or the saddler or any of the other finishers of leather. I submit, Mr. President,

### ***The Producer of Hides, in All Fairness, Is Entitled to a Like Degree of Protection, the Same as the Tanner and the Manufacturer of His Products.***

He is obliged to meet the same competition from the foreign producer. He has capital invested, he has labor to pay, he bears the risks and uncertainties of the business. If the hide market of this country is to be opened to the free competition of the world, what superior claims have the tanners or the manu-

fabricators of boots and shoes or the manufacturers of leather in any form over those of the American farmer?

I submit, Mr. President, if this duty is to be removed entirely I can see no just ground why the duties on leather or any of its products should be retained on the dutiable list. The same argument applies to the one as to the other.

The duty proposed could be sustained upon the ground of revenue alone. The Senator from Mississippi [Mr. McLaurin] a few moments since made reference to it as a source of revenue and declared it produced upward of \$3,000,000. To be exact, Mr. President, for the year 1907 the duty on hides produced \$3,115,390; but it must be remembered there was returned in drawbacks to the importers of foreign hides, \$907,386, leaving a net revenue of \$2,208,004.

#### *Would Protect All Alike.*

I am in favor of a retention of the existing duty upon hides. I am also in favor of a proper duty upon boots and shoes and all of the products of leather, so that the wage-earner upon the farm and elsewhere, and the farmer and stockman who have their investments in the farm and in the cattle, may be Protected against foreign competition at a less investment and at a lower wage rate. And in view of the great production of cattle in Argentina and other South American countries on their cheap lands and at a low wage scale and the danger from large importation from that source and with cheap ocean freight rates, I would Protect the farmer at least in the present duty upon hides. I would also Protect the tanner, the manufacturer of boots and shoes, and the manufacturer of all the products of leather with a proper, fair, and just rate, so that they, in like manner, would be Protected from foreign invasion and against the cheaper labor from abroad.

Mr. President, it seems to me these great interests and industries dependent upon the product of the farmer as the producer of the hide have been wonderfully prosperous during the years while the present rate of duty has been in force. They have not only taken possession of our own markets, but have come into direct competition with all the markets of the world. And I find, Mr. President, as to the exports, that for the year 1907 there were 5,883,914 pairs of boots and shoes exported, of a value of

\$10,666,000; and during the past twelve years this great industry in export trade has increased from \$1,436,000 to \$11,469,000 during the last fiscal year, an increase of 1,000 per cent.

Mr. President, should there be any complaint made by this industry against existing conditions when such a tremendous showing has been made? It has been enabled, as I say, to possess itself of and retain the domestic market, which is the greatest market of the world, and has exported \$11,500,000 of their product during the past fiscal year. The duty the Government has provided for this industry has aided in preserving the domestic market, because I find that in 1906 the quantity of boots and shoes imported from foreign countries was of the value of \$43,000, and since that time to 1907 has increased only to \$164,000.

#### *Unwise, Unfair, and Selfish.*

It does not occur to me these interests are suffering or are endangered. Judging from the rate of wages paid, from the profits not only of the boot and shoe manufacturers but of the leather interest itself, they have been enabled to prosper, to develop, and to grow and retain the domestic market, and come into direct competition with the markets of the world and to secure their full share. Why should they during such prosperity at this time come and ask to strike down the nominal Protection that is given to the farmers of this country upon the item of hides?

To me, Mr. President, it seems unwise, it seems unfair; to my mind it seems selfish in the extreme. The farmers of this country, especially in the area from whence this great product comes, are loyal Protectionists. They believe in that policy. They do not believe in sectionalism.

I do not believe the manufacturing interests of the East should seek to take advantage of this great interest and despoil it of this limited Protection, which, as it seems to me and as has been demonstrated here in this debate, inures to the benefit of the producers of cattle. Yet if it is stricken down, no compensation is proposed to be made, as far as the purchasers or consumers of either boots, shoes, harness, saddlery, or any of the products of leather are concerned.

Mr. President, I believe the proposed duty should be maintained in fairness to

the great interests represented by the farmers and stock raisers of the country.

**"The Party that Pledged Itself in Favor of a Revision Downward Was Defeated by More Than a Million Votes at the Polls."**

*From the Congressional Record of June 22, 1909.*

WELDON B. HEYBURN, of Idaho. The Republican party stands pledged to a duty on hides. It stands pledged not only as a national party, but in the several States Republican majorities have been given because the Republican party was so pledged.

Mr. President, because trusts exist and oppress us is not a sufficient reason for abandoning the principles of a political party.

There is another suggestion. There is nothing in the platform of the Republican party, nor does anyone, I think, claim that there is, that pledges us to reform either the Republican party or its principles. I know of no such declaration.

There was a party in the political field last fall that pledged itself in favor of a revision of the Tariff downward, and there was one that did not. The party that pledged itself in favor of a revision downward was defeated by more than a million votes at the polls. Are you going to undo that verdict? It is the verdict of the American people, and it is the verdict of the Republican party. Does any Republican dare to stand here and say he abides by and considers himself bound by the Democratic platform? Does he dare to stand here, or elsewhere, and say that the Republicans shall observe and adhere to the planks and political declarations of the Democratic party?

For one I do not. This question of the duty on hides is a large question, and

***Affects Perhaps More People Than Almost Any Other Question***

that is before us. There are more than 10,000,000 people engaged in producing this article of commerce, and it is an article that comes home to more people of humble station than you would dream of. You talk about syndicates and trusts here. The cow that dies in the stable of the cotter means more to that household than the loss of a train load of cat-

tle over an embankment on their way to the packing houses in Chicago.

I am giving my thought most to that part of the people. The trusts need no Protection. I do not care whether they have it or not. They are entitled to it as any other part of the people are, but I realize that they are strong enough to take care of themselves. But the poor are not, and the highest function of government is to Protect the poor. Whenever one of these questions comes up, the first inquiry in my mind is, How will it affect the great mass of the people, who are neither trusts nor connected with trusts?

***It Is Not the Platform that Won.***

What are you going to say to the people when you go back to the various States about the pledge that was written in the Republican platform to Protect these interests and they ask, Why did you not do it? Would you say the day was too warm; it was midsummer? Dare you do it? I think not.

Now, here is another little platform that I want to know if anybody on this side of the House has stored away in their minds as a possible refuge of political retreat:

We demand the immediate repeal of the Tariff on wood pulp, print paper, lumber, timber, and logs, and that those articles be placed upon the free list.

That is in the platform, but it is not the platform that won. It is the one that lost.

Just give me your attention a moment, until I give you the genesis of the Republican party, and see if anybody fails to recognize it:

That, while providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interests of the whole country, and we commend that policy of national exchanges which secures to the workmen liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence. (Republican platform, 1860.)

***McKinley Never Helped to Unmake a Republican Platform.***

Mr. BEVERIDGE. I asked whether or not McKinley, the prince of Protectionists, would also stand upon that platform, and if he was for a duty on hides or for free hides?

Mr. HEYBURN. I will answer the question, and I want to answer it now. McKinley was a Republican who helped to make platforms, and he never helped to unmake a Republican platform which existed prior to or during his lifetime. He would have been loyal and true to the principles of Protection. I will go no further, because no man can speak further as to what he would have done or what he would do to-day. I have faith that any Republican who is imbued with the principles of the Republican party will stand to-day where McKinley stood, and where other Senators stand, for the principles of the Republican party.

The Republican party has been a growing party; it has been an advancing party. It never took a step backward; it never unwrote a plank or a principle that it ever professed or that it told the people it stood for—never. Can any Senator name a plank for which the Republican party ever stood that is not to-day one of the foundation principles of the Republican party, and that is not to-day written in the laws of the land? There is not a statute on the books in force to-day that was not first written in a Republican platform. I say that without any fear of contradiction. The platform of the Republican party in the past is the law of the Nation to-day.

Mr. BEVERIDGE. And was in McKinley's time.

Mr. HEYBURN. We did not support Mr. McKinley because he did not believe in the principle of Protection; and it is perhaps more for that than for any other purpose that I stand here in this hour, and I want to sound this note, that men who are Republicans, or care to call themselves such, have no more right to vote for free hides than they have to vote for Free-Trade in any other schedule.

#### *It Is Not a Question of Choice.*

Your pledge is out; it is out to the party and it is out to the people. To bring up this hobgoblin of the trust is like a great face that you put on every time a schedule comes up that you do not like and you claim that there is a trust behind it. Will you abandon your house because some real or imaginary enemy steps in during your absence and takes possession of it? I guess not. We will not abandon the Republican party, even though it is claimed that a trust has taken possession of a part of it. We will drive the trust out, and we will re-

habilitate the Republican party and keep it in the clean and pure atmosphere of government based upon the principles for which it stands. Shall we abandon the Republican party, even though trusts have come in and taken possession of a part of it? I guess not. The Republican party is not made up of that kind of men. We not only can make laws, but we can enforce them, and we can punish those who violate the rights, or any part of the rights, of the people.

Mr. WARREN. Mr. President, I beg to remind the Senator from Indiana that in the making of the present Tariff Mr. McKinley was President of the United States and had great influence in the Congress which passed the Dingley bill. He could easily have had hides put upon the free list if he had so desired. On the contrary, he did not so desire, and he signed the bill that made the law which put hides upon a dutiable basis.

#### *Republicans, Where Would You Be Without the Farmers of the United States?*

The majority that we had in the last election came to you from the farmers in the country districts. If you do not believe it, look at the statistics and see. I undertake to say that had you eliminated the Protective Tariff pledge of the Republican party, for which I am speaking to-day, from the campaign last fall, you would have had scant show, and I know whereof I speak. I went into the campaign, and I was in it from the beginning. I went into it in August and was in it every day and night until election. I found that what the farmers wanted to know was, "What can we rely upon in the way of stability?" They did not want any favors. I said, "You can rely upon the Republican party standing pat." I said, "You can rely upon retaining the duty on wool and hides and cattle and wheat, and oats and barley and potatoes." I said, "You can rely upon it that we will furnish you a market for those things in the mines by Protecting the products of the mines." I said, "You can rely upon it that when you have raised these things and have them ready for sale, the market will be standing ready to receive them."

You can not strike down industries that employ thousands of men who are consumers without striking down the market of the producer of those things which they consume.

**Do Not the Ten Million Farmers Count?**

Do not the 10,000,000 consumers engaged in raising hides count at all in this plea for the consumer that we have been hearing about? We hear Senator after Senator stand up here and say, "It is the consumer you are pledged to."

The affections of the party pledged to the consumer! Why, there are 10,000,000 of them raising cattle; there are 10,000,000 of them interested in this schedule on hides. Are they less consumers? They are consumers of shoes; they are consumers of the products of those skins and hides, just as much as the man who treads the marble floor or the halls of this Capitol. Are you going to cut out 10,000,000 consumers merely because, forsooth, they are producers as well and strangle them in their ability to be consumers? Where are you going to get a market for the products of your prosperity if you render these people poverty stricken and out of business? It matters not though the products of the earth were piled around you mountain high, you would starve to death, except to the extent you could eat them, unless there were consumers to purchase them; but if you make other people too poor to purchase your commodity, where are you going to find your market?

Are you going to buy hides from foreign lands and bring them in here, and then send the hides of this country to those foreign lands? Is that the scheme?

Deal at home—just as near home as you can buy, too.

**Deal with Your Neighbor and He Will Deal with You,**

and the circle will widen as the ripple upon the face of the still water widens to the shores, and come back again and repeat the reverberations of prosperity. This thing of buying skins in Australia and Argentina and Mexico to clothe the American people is a farce, and it is a wicked one, when we have them here. If the prosperity of business is maintained by proper provisions of law and conditions of government, they will increase. Just decrease by discouragement the production of hides and see how quickly you will decrease the production of beef and meat, and see how quickly you will feel it in the advanced price that always follows a decrease of production.

What do you want to do, bury the

hides that come from these animals? No. I will tell you what you will do if you discourage cattle raising. The men now engaged in that business will go out of it and overcrowd some other neighboring business.

**Does Not Believe There Ever Was Any Justification for the Duty on Hides.**

*From the Congressional Record of June 22, 1909.*

THEODORE E. BURTON, of Ohio. The question of a duty on hides can not be considered exclusively as a Tariff proposition. A discussion of the principles of Protection will not solve it. The whole course of business relating to the raising of cattle, the tanning of leather, the manufacture of shoes, is involved, and the nature of the organizations or persons who have to do with each of these branches of business must be taken into account.

The first objection to a Tariff on hides is one which did not exist in 1872, when they were placed on the free list, nor to any great extent in 1890, when they were again included in the free list. In answer to the defiance of the Senator from Idaho [Mr. Heyburn], who asked what Republican Senator here will dare to vote against a duty on hides, I have to answer him that I voted with William McKinley in 1890 against a duty on hides, for after that question had received elaborate consideration, no duty was imposed; nor was there any duty in the Dingley bill when I voted for it in the House in 1897, and I feel perfectly free to-day, or whenever the question comes up for a vote, to pursue the same course by voting against a duty.

**Would the Removal of the Duty Lower the Price of Shoes?**

It has been maintained here that the removal of the duty would make no difference in the price of shoes. There has been a good deal of argument on that point. I take it that if the Tariff raises the price of the hides, it raises the price of leather and shoes as well; and if the price of hides will be lowered by a removal of duty, the price of shoes and leather will be similarly affected. The average rise in the price of leather in a pair of shoes ascribed to the Tariff

on hides would be from 2 to 8 cents. Some say it would be from 6 to 9. If it is true that the Tariff does raise the price of hides and of leather, that is an amount sufficient to be taken into account.

I want to say in conclusion, Mr. President, that I do not believe there ever was any justification for imposing this duty. I am satisfied that the cattle industry was just as prosperous without it; that the farmer will reap the benefit of the raising of cattle to the fullest measure without it; that if any benefit accrues, it will be to those great establishments which buy and sell for slaughtering; that the continuance of this duty threatens not only a great industry—first the tanning industry and then the shoe and leather industry; also that it is likely, by promoting concentration in the business and even monopoly, to increase the cost of all these articles to the people.

### The Maintenance of the Tariff on Hides an Economic and Political Error.

*From the Congressional Record of June 22, 1909.*

WILLIAM ALDEN SMITH, of Michigan. I voted for free hides, as all Republicans did, when the Dingley bill passed the House of Representatives. For three-quarters of a century we have had free hides in this country. There is not a great commercial country in the world which imposes a duty upon hides. The entire business world recognizes that there is a great scarcity of this article. The packing houses acquire it as a by-product, and pay the farmer and cattle raiser very little for it, arbitrarily fixing the price. The tanners need the hides, and the leather manufacturer finds great difficulty in obtaining them. I can see no reason for limiting this supply and concentrating it into a few hands.

Mr. Blaine and Mr. McKinley and Mr. Harrison and Mr. Arthur and Mr. Garfield and Mr. Dingley, all good Protectionists, saw no wisdom in maintaining this duty. The dependence of our tanners and leather manufacturers upon South America everyone admits. It is the idlest folly to make this item a test of a man's devotion to the principles of Protection, and the maintenance of this duty is an economic and political error. The House

of Representatives saw no wisdom in it, and the same body in McKinley's administration saw none. Thousands of people protest against it. The multiplied uses of leather call loudly for a world's supply of raw material, and we shall be unfaithful if we do not heed the call.

We know the demands which are made for this necessary product, boots and shoes, harness and saddles, while every woman carries a leather bag. Every factory, with its thousands of workmen, uses leather belting; every furniture manufacturer uses it as a part of his art and for the convenience of his patron. Our country can not supply the demand, and I see neither wisdom, policy, nor common sense in the extreme position to which some Members of the Senate would lead us in this matter. In perfect harmony with my past record as a Protectionist, I intend to cast my vote against the committee amendment; but I do not propose to be led into the error of casting my vote against a duty on the manufactures of that raw material, made by hundreds of thousands of my countrymen, and which I still desire to see converted into the finished product upon our own soil for the benefit of the American people.

### There Ought to Be a Reasonable Duty on Hides.

*From the Congressional Record of June 22, 1909.*

ALBERT B. CUMMINS, of Iowa. Mr. President, I move to strike out from the amendment offered by the committee the word "fifteen" and to insert in lieu thereof the word "ten," so that the duty levied will be 10 per cent instead of 15 per cent.

I have listened to the long debate upon this subject with a good deal of interest, because I happen to represent in part a State which produces more cattle, at least in value, than any other State in the Union, and therefore it may be assumed that our people are somewhat interested in this matter. I have not heard a single word suggested that could lead me—I was about to say "or any reasonable man"—to the conclusion that there should not be a duty on hides that would not apply with equal force to every article or commodity in this bill which we do not produce in sufficient quantities for our own use; and there are a great many



such things that fall within the principle. I think, of Protection. Therefore it seems to me that there ought to be a reasonable duty on hides. Nor have I any doubt whatsoever that the producer of hides derives a fair advantage and a fair benefit from the increased price which this duty creates. But I believe that the whole scale of duties of the Dingley law, or substantially all the duties of the Dingley law, were higher than they should have been; and I am from time to time endeavoring to impress upon the Senate the duty, as I view it, of reducing these taxes. I think the farmer should bear his fair share of the reduction.

#### *Duty on Shoes Should Also Be Reduced.*

The boot and shoe manufacturer of the United States buys the hide—the finished product of the cattle raiser—and pays 10 per cent more than he would otherwise pay by reason of the imposition of the duty. If it were true that 10 per cent upon the process of reducing hides into shoes would measure the difference between the cost of doing that work in the United States and in Great Britain or Germany or France, the argument of the Senator from Texas would be unanswerable, namely, that the 10 per cent ad valorem, carried through the additional cost of manufacture, would completely protect the American boot and shoe manufacturers. But assume for a moment—and it is a purely hypothetical case, because it is not here at the present moment—that the difference between the cost of making leather into shoes in the United States is 50 per cent higher than in Great Britain or any other competing country. Then the 10 per cent added to the cost of the material would not equalize the American manufacturer with his competitor across the sea. That must be perfectly obvious.

I understand how inconclusive that would be with anyone who believed simply in levying duties for the purpose of producing revenue; but from the standpoint of the Protectionist it seems to me that the argument is sound.

In this particular case I repeat that I do not believe that it costs us any more to make shoes, or as much to make shoes, as it does our competitors elsewhere, and therefore I think 10 per cent duty would be abundant protection to the boot and shoe manufacturers. I know enough about the spirit that prevails in the Senate—I have heard enough suggested from time

to time in an informal way—to be sure that if the duty on hides is reduced to 10 per cent the duty on shoes will also be reduced to 10 per cent. And therefore I hope that no one who believes in a fair reduction of duties, as we reach those duties, will be prevented from voting for my motion on that account, for I can not, without offering a substitute for the entire amendment, include in it other forms or any forms of manufactured leather.

#### *A Part of the Great Policy of Protection.*

Mr. HALE. In line with the thought just suggested by the Senator from Rhode Island, I wish to say that one reason why I will vote for the duty on hides as a part of the great policy of Protection of home industries is that I will with equal satisfaction and earnestness oppose the reduction of the duty on boots and shoes.

I do not agree in any way with the sentiment that you will give free hides and follow that up by cutting down the duty on boots and shoes, which are an advanced stage, a manufacture involving labor, involving in my State great industries. While I will vote for the duty on hides, I will as earnestly and helpfully as in me lies oppose any reduction of the duty on boots and shoes, the finished product.

#### **No Sympathy with the Battle Between Different Industries; All Should Be Treated Alike.**

*From the Congressional Record of June 22, 1909.*

NELSON W. ALDRICH, of Rhode Island. . . . The committee considered this question of the duty on hides very carefully. We heard the representatives of the boot and shoe people and of the tanners and of the farmers, who are interested in maintaining the duty on hides. The committee decided, as Protectionists, that we ought to look out for the interests of the cattle raisers of Iowa and of the other States, and we believed if any duty was to be put on hides at all that 15 per cent was not too high. That seems to me perfectly plain. It is a revenue duty. It is not a high duty at all. If as a matter of policy we ought to put hides on the free list, that is one thing; but if we are going to give Protection to the men who raise the cattle in various parts of the country, I think the revenue duty,

or the Protection duty—whatever you call it—of 15 per cent is not too high. That is the view of the committee.

The Committee on Finance reported in favor of a duty on hides. They are in favor of a reasonable duty upon boots and shoes, upon leather, and upon every other article produced in the United States; and they have no sympathy whatever with this battle between different industries, one trying to put the materials of the other upon the free list or trying to reduce the duties unduly upon any of these articles.

I hope there will be no continuance of this battle between Protectionists to see which will get the better of the other upon any of these propositions. We ought to give fair and decent treatment to them all; and that is what the committee has tried to do in their recommendations.

#### *A Part of His Advertising Scheme?*

And, Mr. President, when the committee do make their report they will not be governed by the opinion of a single manufacturer of shoes of a particular kind that he has spent millions of dollars in advertising all over the world and which he sells on a trade-mark. I suppose, of course, the merits of the shoes have something to do with it; but he has spent a large amount of money in advertising his shoes. He was elected governor of Massachusetts once, I think; and I have been told that that was a part of his advertising scheme. I suppose that is not true. I assume it is not true. But it was stated commonly in the newspapers at the time that he was willing to pay large amounts for advertising in any direction. He occupies this peculiar situation by himself; and I am sure that he does not in any sense represent the boot and shoe manufacturers of the United States, and that he is not trying to remove the duties upon hides and upon leather with any idea except that of advertising his own views and his own shoes.

#### **Stalwart Protectionists Who Were Opposed to a Tariff On Hides.**

*From the Congressional Record of June 23, 1909.*

ALBERT J. BEVERIDGE, of Indiana. Mr. President, I have heard two or three times during this debate an appeal for this duty upon the ground of Protection. It was a very natural argument to make.

I blame no Senator for making it, but I have heard an expression with reference to "Protectionist Senators." Well, that is becoming an old question in this debate. Those of us who are insisting that no greater duty than is actually Protective, in our opinion, should be put in the bill think that we are even the better—certainly the more rational and safer—Protectionists; we think that we are the sounder and truer Protectionists.

But upon this specific duty on hides, I call the attention of the Senate and the country to the fact that John Sherman was a Protectionist, and he was for free hides; McKinley was a Protectionist, and he was for free hides; James G. Blaine was a Protectionist, and he, perhaps, performed greater labor for the great cause of Protection than any other man in this Republic since the day of Clay—and Blaine was for free hides.

If it is suggested that those men are of the past and that that would not be their opinion now, it must be conceded that Mr. Payne, the present chairman of the House committee, is a Protectionist of Protectionists, and as such he is for free hides.

#### **Under Protection Florida's Production of Pineapples Has Increased from 100,000 to 1,000,000 Crates.**

*From the Congressional Record of June 23, 1909.*

Mr. DIXON, of Montana. Was there any production of pineapples in Florida until the Dingley rates were placed upon pineapples in 1897?

Mr. TALIAFERRO, of Florida. In 1897 the production of pineapples in Florida was about 100,000 crates.

Mr. DIXON. Had there been any duty upon them before that time?

Mr. TALIAFERRO. I think not. I do not recall that there had been, although I do not make the assertion positively.

Mr. DIXON. Has the imposition of the duties under the Dingley bill tended to increase the production of pineapples in Florida?

Mr. TALIAFERRO. The crop has increased, as I have stated, from about 100,000 crates in 1897 to a million crates in 1909.

Mr. DIXON. In the Senator's opinion, has the imposition of the Tariff rates on pineapples imported from Cuba tended

toward the development of the industry in Florida?

Mr. TALIAFERRO. I think that the present rate tends to develop very largely the industry in the island of Cuba.

Mr. DIXON. The Senator evidently has not answered my question. I will say frankly to the Senator that if the imposition of a duty on pineapples will produce in our own country the pineapples that we consume, I, as a Protectionist and a Republican, want to vote for it. If it is not going to do so, I do not want to increase the duty. We might as well have a fair explanation of the matter. I think many Senators on this side of the Chamber would appreciate it.

*Impossible to Continue in the Business Unless the Duty Is Increased.*

Mr. TALIAFERRO. I will say for the benefit of the Senator that the producers of pineapples have appeared before the Ways and Means Committee of the House and have taken the position that it is impossible for them to continue in this business unless the duty is increased; that with an increased duty on pineapples they can succeed, and can so far increase the product in this country and develop the industry in the State of Florida as to supply the American demand at a reasonable price. That is their contention. But I am not asking for this amendment on that ground. I am asking for it because it will increase the revenues of the country. I am asking for it because I propose to demonstrate that, with this duty, the Cuban can put his product of pineapples in the Eastern markets for 50 cents a crate less than the Florida producer can raise his product and put it in New York.

Mr. DIXON. Mr. President, I will remark in passing that I am one Member of the Senate who believes in consistency. If we can develop the pineapple industry in Florida and extend it and supply this great Nation by imposing this slight increase in duty, I do not know under what rule of enactment of this law it should not be done.

*The Question of Wages.*

Mr. FLETCHER. My colleague yields to me for a moment on the question of wages raised by the Senator from Indiana. I find in volume 4 of Tariff Hearings the statement to be thus:

With their small cost for land and no fertilizers used, the Cuban grower has a

maximum cost for labor of 80 cents per day, and at times much less figures, whereas we have a minimum cost for labor of \$1.25 per day, with the average for a large part of the season above \$1.50 per day, and a part of the year we pay as high as \$2 and even \$2.50 per day.

Mr. GALLINGER. I presume the Senator is accurate in saying that some of the products of the mills of New Hampshire go to Cuba. But I want to say to the Senator that unless I have read history incorrectly, in view of what this country has done for Cuba in the way of sacrifices of men and money and the advantage it is giving Cuba in the way of a differential in the Tariff rates on her products, the increase in our commerce with Cuba has been very slight indeed. Cuba has not been a very good customer of the United States.

**Have Matters Reached a Point Where We Are to Legislate to Promote the Commerce and Trade of Cuba as Against an American Industry?**

*From the Congressional Record of June 23, 1909.*

D. UPSHAW FLETCHER, of Florida. Another statement is made, Mr. President, to the effect that the Florida pineapple is produced by foreign labor. There never was anything further from the actual truth than that. I do not mean to say that the Senator meant to misrepresent. His information is wrong. The labor that produces the Florida pineapple is the native labor, or the labor that has come in there for the purpose of growing pineapples. The growers of pineapples in Florida are people from all over this country. A large majority of them are Republicans, men coming from Republican States. Are you going to say the Republican principle of prosperity does not apply in a State because it lies outside of Republican territory?

But I am not bothered about their politics. I never inquired into it. I know this is an important industry. I know that there are 7,000 acres under cultivation in Florida to-day and 10,000

people are engaged in producing pineapples there. I know—and this is no guesswork, because I have seen the land and I have had to deal with some of it—that there are 500,000 acres of land in Florida suited and adapted to this industry. I know perfectly well that Florida, with Porto Rico and Jamaica, can supply the demands of this country, no matter what it may be in the future. I know that perfectly well.

**Florida Pineapples Are Grown with American Labor.**

The Senator says that Florida wants Protection to stimulate artificially an industry that is not entitled to consideration, and that works against Cuba; that American capital is in Cuba, and that the industry in Cuba is an American industry. I ask Senators whether matters have reached a point where we are to legislate to promote the commerce and trade of Cuba as against an American industry? Have they reached the point where we must claim, because Americans are engaged in some industry in Cuba, that such is an American industry, when the citizens of our own States are to be denounced as engaged in an industry promoted by foreign labor?

That is an absurd statement—that Jamaicans are brought into Florida and work in the groves. Most of the labor in the pineapple groves is white labor. Most of it is intelligent labor. It requires a man of sense as well as of industry and enterprise to grow pineapples, I will tell you. The people who are doing it are people of sense; and they are enjoying as high a degree of civilization, with as nice homes and as nice surroundings and as great skill and industry as the people in any portion of this country, I care not where they come from.

Mr. BEVERIDGE. Is it true that that industry has, under the present Tariff, grown in production from 100,000 crates to 1,000,000 crates this year?

Mr. FLETCHER. It has grown in production from 100,000 crates fifteen years ago to over 1,000,000 crates to-day; not under, not in pursuance of, and not because of any Protection or any law, but because of the enterprise and the industry and the intelligence of the men who are operating the groves.

**Was It Profitable to Give Cuba Out of Our Treasury \$7,000,000 a Year to Enable Some American Exporters to Make \$2,000,000 Per Annum?**

*From the Congressional Record of June 23, 1909.*

GEORGE SUTHERLAND, of Utah. The Senator from New York tells us that we have increased our trade with Cuba from \$27,000,000 to \$47,000,000. That has been an increase of \$20,000,000. But we have given to Cuba in the neighborhood of \$7,000,000 per annum out of our Treasury. Let us assume that the importers or the exporters of the United States to Cuba have made a profit of 10 per cent upon the goods that they have shipped to Cuba, which I think is a very fair estimate to make; that would be \$2,000,000 per annum. Does the Senator from New York think that it is a profitable transaction for the United States Government to give to Cuba out of its Treasury six or seven million dollars per annum in order to enable some exporters along the Atlantic seaboard to make \$2,000,000 per annum?

Mr. ROOT. I do not undertake to consider it merely as a reciprocity treaty, without reference to other considerations. I do not think that the reciprocity treaty between the United States and Cuba is profitable to the United States. I think that the United States gets more from that treaty than we get from Cuba in the mere trade. But I have not the slightest question that the profit to Cuba is of greater value to the United States than it is to the Cubans who make it, for we must keep Cuba as a free, independent, and peaceable country, or else we shall face the alternative of letting Cuba go to some foreign power, which we never can permit, or of taking it ourselves, which I hope we never shall commit.

**Thinks Better Protection for Florida Pineapples Would Violate the Cuban Treaty.**

Mr. TALIAFERRO. Does the Senator from New York contend that there is anything in the pending amendment violative in any way of the present treaty or the spirit of the present treaty with Cuba?

Mr. ROOT. My impression is, and it is a very strong impression, that the pending amendment would be violative of the spirit of the treaty. I think that for us to make a treaty, under which we agree to reduce by 20 per cent the duties on Cuban products, and then to turn around and make an increase of 128 per cent in the duty upon a product which comes to us from no other foreign country than Cuba would, in substance, be a violation of the spirit of that treaty.

### Opposed to Reciprocal Free-Trade in Coal Between the United States and Canada.

*From the Congressional Record of June 23, 1909.*

NELSON W. ALDRICH, of Rhode Island. The Senator [Mr. McCumber] spoke as one member of the committee. All of the other Republican members of the committee thought that this reciprocity provision ought to be stricken out, and I will give the Senator [Mr. Bacon], if he desires, some of the reasons which influenced the committee in arriving at that conclusion.

In the first place, personally, I did not believe that Canada would remove her duties upon coal. I think the policy of the Dominion government and the economic conditions in that country would render it impossible for Canada to take the duties entirely off of coal, at the present time, at any rate, and that we should be left with a duty of 67 cents on coal and slack, as compared with 67 cents on coal and 15 cents on slack, as in the present law. Beyond that, the committee believed that if the duties were entirely removed both by Canada and the United States, the coal producers of the United States, especially in Wyoming and to a considerable extent in West Virginia and in other sections of the country, would be subjected to unfair competition from the Canadian coal producers and the Canadian mines.

As the Senate already knows, coal has been the subject of a duty from time immemorial. The Democratic Wilson Tariff law of 1894 fixed a duty upon coal; and I think the Democratic party, or what might be called the controlling element of the Democratic party, has always been for a duty on coal. The

States of Virginia and West Virginia, and, in fact, a great number of States, including Alabama and other Southern States, have always been opposed to the free admission of coal into the United States.

### *No Benefit from Free Coal.*

Of course the interests of New England upon this question are somewhat different from those of other parts of the country. It has been assumed in some quarters that New England would be benefited by removing the duty on coal. I do not think so, to any considerable extent. The coal which comes to New England, or would come to New England from the maritime provinces, especially from Nova Scotia, is not of a quality which can compete, or which does compete, with the coal of West Virginia for steaming or any other purpose. New England is buying to-day coal from West Virginia, and to some extent from Virginia and some other States, in competition with Canada and with Nova Scotia, when they could lay down coal in Boston, or at almost any other part of New England, at least a dollar a ton, and, in some cases, as much as \$1.65 a ton less than we are obliged to pay for West Virginia coal, showing that the question of coal in New England is more a question of quality than of anything else, or of the Tariff.

There were a number of people, coal producers of western Pennsylvania and of Ohio, and to some extent of Indiana and Illinois, who were very anxious to have this reciprocity provision adopted. To-day the Province of Ontario and certain other portions of the Dominion of Canada get their coal supply from the United States, which is the natural source of that supply; and it undoubtedly would be true that the coal producers and coal miners of extreme western West Virginia, of western Pennsylvania, and of Ohio, and perhaps some parts of Indiana, would be greatly benefited by this reciprocity treaty provision, provided it went into practical effect. I think they are the only people in the country who are really actively for this reciprocity provision.

The people of New England, I think, those who are not indifferent, would perhaps be willing to have the experiment tried. But I think there is no representative of New England who desires to have the duty entirely removed from bi-

tuminous coal, as it might be under the provisions to which I have referred.

After you leave this middle belt of the States I have named, to whose interest it would be to have reciprocity with Canada, you strike another part of the territory of the United States, perhaps the territory which is included in the States of North and South Dakota, and possibly Minnesota, which are now, I think, required by existing conditions to buy their coal from other parts of the United States. They may believe, and possibly it may be true—I think not, however—that they would be able to buy their coal lower if coal were on the free list, or if the duty were very largely decreased.

#### ***Would Destroy Western Mining Interests.***

There is another section of the country, consisting of the States of Wyoming and Utah, that have large coal deposits of a very good character; and the free importation of coal into this country would be absolutely destructive of the mining interests of those States, especially of the State of Wyoming. I think I do not misstate matters when I say that they would have no possibility of competition with the coal mines directly north of them if the duty were entirely removed.

Again, on the Pacific slope, the coal producers of Washington would have no possibility of competition with the coal miners of British Columbia, Vancouver, and that section of Canada. So that, with the exception of a small territory in the center of the country and another comparatively small territory directly west of that, I think the interests of almost the entire country are against the free importation of coal here.

And as long as those of us sitting upon this side of the Chamber are in favor of the Protective principle, it is impossible, in my opinion, to resist the conclusion that a reasonable duty ought to be maintained upon bituminous coal.

Mr. SMITH, of Michigan. When we took the duty off of bituminous coal a few years ago we did it on the theory that we would lower the price of coal to the consumer, did we not?

Mr. ALDRICH. Yes.

Mr. SMITH, of Michigan. And it did not operate to lower the price, as I recollect?

Mr. ALDRICH. No; it did not.

#### ***We Did Not Get Cheaper Coal, and We Lost the Revenue.***

Mr. SMITH, of Michigan. So the attempt we made was an utter failure, and neither yielded revenue to the Government nor coal to the consumer at a reduced price; nor did it solve the vexed question then confronting the country growing out of the coal strike?

Mr. ALDRICH. That is true.

Mr. HALE. And lost the revenue.

Mr. ALDRICH. And lost the revenue. The Senator will remember that there is no duty imposed by this act, and none under existing law, and none proposed, upon anthracite coal; and I think the section represented by the Senator from North Dakota is more dependent upon anthracite coal than bituminous coal. Of course, I assume that the manufacturing establishments in that country use bituminous coal, which perhaps comes from the coal fields of Illinois, or possibly the western coal fields; I think not, however, from Wyoming. I think it comes from Illinois and the country around there.

#### ***New Englanders Not in Favor of Free Coal or Reciprocity.***

Mr. GALLINGER. Mr. President, I desire simply to say that the people of New England are not in favor of free coal or reciprocity with Canada. There are certain gentlemen in New England, some manufacturers and some owners of coal mines in Nova Scotia, who want free coal. We had free coal not many years ago, for one year, and imported coal into the port of Boston—nearly a million tons—and it was not sold at a penny less than it sold before the duty was removed.

Mr. BURTON. Is it not a fact that at the time of that importation there was a most unusual scarcity in the production of the mines of the United States?

Mr. GALLINGER. That is true.

Mr. BURTON. Some of them having ceased entirely. So that year is by no means a fair test as to whether the price would be reduced or not.

Mr. GALLINGER. That is true; but it shows that the gentlemen who were so anxious for free coal at that time did not find it in their hearts to reduce from the price of the coal the amount they had been paying formerly in duties when it came into New England, they simply added that to the price of the coal. If

we had reciprocity with Canada, we would in New England exchange good coal for poor coal; that is all. Our coal is very much superior to that of Nova Scotia. We do not want to go into a bargain of that kind.

### **Trusts Have Accumulated a Fund With Which to Exploit Free-Trade Doctrines.**

*From the Congressional Record of June 24, 1909.*

FRANCIS E. WARREN, of Wyoming. An Eastern Senator may not say that there shall be no duty upon hides because it does not do the farmers in the West any good, while meantime the Western Senators stand here insisting that such duty does benefit the farmer, and are able abundantly to prove it.

Mr. President, if there has been any argument presented here by him, or by anyone else, that serves to prove that the farmers do not get that benefit, I have failed to hear it.

The boot and shoe and leather business was never more prosperous during any period in the life of this Nation; in fact, never was as prosperous, according to the showing made by statistics, as during these last twelve years, when the Tariff on hides has been exactly the same as that proposed by the Committee on Finance in the present bill.

It seems that the great profits of the leather trusts, and the generous profits of the boot and shoe people, through the high Tariff imposed upon importations of boots and shoes brought into this country, while they had over 77 per cent free raw material, and only 23 per cent taxed at almost a nominal figure, have tended to enable them to accumulate a great fund with which to exploit Free-Trade doctrines.

### **Never Did Affect the Price of Shoes and Never Will.**

But it must be observed in this connection that neither the producers of hides, who are also great consumers of leather in harness, saddles, footwear, and so forth, nor the consumers of the product—the ordinary wearers of boots and shoes—who pay the bills, are here, or are protesting against the Dingley act.

There are good reasons why the wearers of shoes are not here protesting, for the fact is it has never made one penny's

difference in the price of shoes, and never will. In fact, no reduction is now promised in the price of boots and shoes along with the demand for free hides.

I have not received a single line or letter or expressed wish from the packers, through any source whatever, to the effect that they desire a duty on hides. If any other Senator has received any communication from the packers, I have not heard of it. I do not believe the packers are paying any attention to this legislation, notwithstanding the fact that every one of the communications from those who protest against a Tariff on hides rails against the beef packers.

Those correspondents who are crowding this matter of free hides upon us so forcibly are the middlemen—those who make their profits from the handling of hides and leather, much of it for export—and who want to enlarge that profit to the injury of the producer and at the same time give no benefit to the consumer.

### **Assertions Denied.**

Mr. President, there have been eight or ten points alleged by those who authoritatively represent the advocates of free hides. I will give the points, and I want careful attention to them. They are as follows:

(1) That the Tariff on hides was inserted in the conference on the Dingley bill—and they insinuate that there was something surreptitious and uncanny about it, and that neither the Senate nor the House gave its consent to the legislation prior to the meeting of the conferees.

(2) That the 15 per cent duty does not benefit the farmer.

(3) That the packer gets the only benefit and all the benefit.

(4) That to remove the Tariff would affect the consumer.

(5) That the leather trade is languishing because of the Tariff.

(6) That the boot and shoe trade is languishing because of the Tariff.

(7) That the quantity of domestic hides is decreasing.

(8) That the present duty is not a Protective duty.

(9) That the present duty is of no account as a revenue tax.

(10) That the packers absolutely control domestic hides and dominate the prices.

I deny the truth of each and all of these assertions.

### *The Demand Originated with the Leather Trust.*

But, Mr. President, it has been said, and truly said, that a chain is only as strong as its weakest link. Among the campaigners in this free-hide propaganda are honorable men asking for free hides who believe that they ought to have them; but when you trace it back, this false charge of wrong practice in inserting taxed hides in the Dingley bill undoubtedly originated with the leather trust, and possibly with some dishonorable or misinformed boot and shoe men. It originated with men who do not know any better than to come before us and tell us what we ourselves as Senators did, and tell us wrongfully at that. Such men as these are not in a position to teach me whether I, in raising cattle, get any benefit from a hide Tariff or not. I do not have to go to Massachusetts nor to Pennsylvania nor to the leather trust nor to anybody to ascertain whether a farmer gets any benefit from the duty on hides.

The farmers are not here asking to have the duty taken off of hides. I know that there is one purported petition, with 17 names on it, in the archives of this Senate, in which the signers say they are farmers. I know, also, that there are some thousands of names here on other petitions—and I will refer to them later—where they have had these "patent-inside" prepared petitions sent, and with their letters of minute instruction, and they have been asking about everybody to sign and send them here.

### *Not a Consumer Asking for Free Hides.*

There is not a consumer, to my knowledge, who has been here asking for free hides. There has been just one class of people here, the tanners, the leather trust, and the boot and shoe men, those who stand between the farmer and the consumer, and demand that they shall take extra toll from us now by denying to the farmer the benefit of a Protective Tariff, amounting to a dollar and a half to two dollars a hide, insisting upon the benefit of the 1 to 3 cents that it is claimed is added by the Tariff to the cost of every pair of shoes; this without giving any compensation to the farmer and without giving even a promise of compensation in the way of lower prices to the wearer of boots and shoes or the

man who uses harness or leather goods, in case the Tariff on hides is removed.

So here we are between 11,000,000 farmers or more—perhaps 12,000,000—as against less than a quarter of a million of workers in all kinds of tanning and manufacturing of leather. The latter propose to rob directly these 11,000,000 or more of people, or so many of them as may raise cattle, for the benefit not of the millions of wearers of shoes; they promise nothing of that kind; but they want somewhere between the tanner and the manufacturer of shoes to put this amount of duty money into their own pockets. The tanners come before us with a lie in their mouths as to what we have done heretofore. They come here with statements that can not be substantiated as to their industry, whether it is languishing or not, and it finally ends with the straight proposition that they want to make 1, 3, or 5 cents, as the case may be, on each pair of shoes for which they sell the leather, without giving any consideration either to the producer of the hides or to the consumer of the leather.

### *May Have Kept Blaine from the White House.*

Mr. President, the next prominent feature of nearly all this literature has been the letter of James G. Blaine. I am not one who would discredit James G. Blaine. I was one of his admirers and followers. There never was an opportunity that I had either to deposit a vote in his interests or to say a good word for him when I was not for Blaine. The fact is that many years ago, when he was very enthusiastic over a certain line of reciprocity, he made the statement that hides should be free, and wrote the letter referred to in support of the great scheme of reciprocity which has been discredited by Congress and this country since. What has been done here in this body in carrying out what he laid down as the great principle which we would follow? Mr. Blaine may have been right from his viewpoint, but that declaration, along with some others, was perhaps what kept Mr. Blaine from occupying the White House; and Mr. Blaine's proposition of reciprocity has been laid aside as one of those valuable but not usable ornaments of the nation.

### *A Monstrous Proposition.*

So, Mr. President, when you get down,



as we would say in the Middle Western States, a little nearer the trail, where the representatives of 700 firms get together and resolve to adopt as their motto: "Equal rights to all and special privileges to none;" and charge 90,000,000 people one-fifth of a cent a pound more for meat, you reach the milk in the coconut. And all this so that they can line the capacious pockets of a few men, to the detriment of the raiser of hides and the wearer of shoes. In all this there is no promise of lower shoes. They undertake to place themselves right with these eleven or twelve million farmers, by stating, "you shall have your price; you shall have that much more, one-fifth of a cent for beef, and we will make these 90,000,000 people contribute the one-fifth of a cent a pound for that which they must eat every day, in order that the people engaged in the tanning of leather and in the manufacturing of shoes may have the 1 or 2 cents, or 3 cents, or whatever it may be more of profit on a pair of shoes."

Has there ever been a more monstrous proposition before the Senate?

### *The Fallacy of Free Raw Materials.*

I want to say to my friend the Senator from Texas [Mr. Bailey], who I am sorry is not in the Chamber, that he states what is a fact when he says that this country will not long support any Tariff bill under which it is proposed to rob the agriculturist on the plea that his product is raw material. To the man who makes your clothes, Mr. President, the cloth is raw material; to the manufacturer who makes that cloth wool is the raw material; but to the man who raises the wool it is the finished product.

I want to say here that is simply the keystone of the arch of Protection that these people propose to tear down when they undertake to call wool, coal, and hides "raw materials" and make them free, while Protecting manufacturers of the same. Not only are the tanning industry and the great leather trust seeking to get free hides, but the nose of the camel is intruded into the tents in their desire to put every one of these items and others, especially the farmers' products, upon the free list.

That Tariff bill which undertakes to make free raw material of the farmer's finished product, if carried through here once, will be the death knell of the Protective Tariff in the United States until

there has been a new alignment and a new adjustment all around.

The great cry is, "We must export." Of what value is it to the United States to employ a baker's dozen of men in a tannery somewhere along the Atlantic coast, foreigners at that, probably, so that tramp ships may bring over as ballast the hides from the Argentine Republic, and that we may send them back in the shape of exported leather at the expense of stripping our great forests of tanning material? Of what value is it?

### *How Has the Shoe Industry Fared?*

So much for the tanners. The next thing we turn to is boots and shoes. Let us see what the makers of boots and shoes in the United States did under free hides and under taxed hides.

The value of their product in 1880 was \$166,000,000 plus. In 1890 it was \$220,000,000 plus. In 1900 it was \$259,000,000 minus. It will be observed that in that period of ten years when they had absolutely free hides they had increased only from \$220,000,000 plus to \$258,000,000 plus. From that time to 1905, five years instead of ten, they had increased to \$320,000,000 plus.

Under free hides they increased 2½ per cent per year, and under dutiable hides they increased over 4½ per cent, about 100 per cent difference in favor of taxed hides, to the boot and shoe makers in those comparative years.

When Massachusetts and other States here and there say it must be Free-Trade upon everything they buy and Tariff duty upon everything they have to sell, there will be a parting of the ways and a substantial change in the Tariff situation of this country. The Tariff map will look decidedly different when the matter is carried to a final issue.

How do you expect the farmers will feel about a Tariff bill which exempts from duty and makes free those things upon which they are absolutely dependent for a reasonable profit, like hides, when at the same time they are called upon to submit to 35 per cent ad valorem Protection upon harness, saddles, and other leather articles with which they conduct their business?

### *Is It Fair to the Farmer?*

Is it not a little pathetic that when a Wyoming farmer kills a beef creature he may be compelled to haul the hide

away and bury it to prevent its becoming a nuisance, while at the same time the boots he wears when doing this duty and the harness worn by his horses which haul the hide away to the dumping place or the saddle on which he rides and around which is fastened a Protected piece of cordage, its end being looped about the hide to be pulled away and buried, have all been assessed against him at good rates?

And yet this is just what his condition was during the years when there was no Tariff on hides and when the Leather Trust had full sway and brought in as ship ballast its foreign hides. Small wonder that the packer was driven to tan the hides taken from his slaughtered animals.

Is it fair to ask the farmer to destroy, to put out of existence, valuable property, as hides certainly are, simply for the lack of a 15 per cent revenue Tariff, if you will, in order that foreign countries may be enabled to sell their hides to this country, transported to the Leather Trust by tramp ships, that have no reason to ask our Protection, simply that the Leather Trust may make a little larger profit and pay a little larger percentage upon the swollen volume of watered stock that the parent company and the constituent companies of the trust have inflicted upon a long-suffering public?

This condition prevailed in the Western and Rocky Mountain States.

### *No Tariff Will Stand Long Which Does Not Have the Support of the Farmer.*

I stand for the farmer, Mr. President, and I shall continue to stand for the farmer. Let me say to those Senators who think that because of their heeding requests from local tanners who may live in their town or State, they are bettering their political fortunes by following these solicitations or desires,

they may have in their States another class of people to meet when the time next comes, and that class is the farmers.

I can say to you that no Tariff bill was ever made, and no Tariff bill will ever be made, that will stand long which does not have the reasonable support of the farmer, and no representative can long have that support who maintains that the manufacturers of this country shall have Protection, but that their raw material, which is the finished product of the farmer, shall be free. No man will be elected President of the United States, and no man will occupy office very long, in my judgment, who follows that policy.

The producer of beef, mutton, and the hides which grow upon them and are a part of them, should have his part of a Protective Tariff as a matter of right if he demands it. He demands but little, nothing compared with the others, but this he demands, just as the woolmen have demanded for years a Tariff on wool.

The removal of the Tariff on hides will lessen the value of every head of meat cattle in the United States, whether it be the poor widow's cow, the farmer's little bunch of beef stock, the cattle of the great feeders, who buy from the ranges and fatten the stock on grain in the Middle West, or the stock of the man on the plains who raises cattle for such feeding.

### **Labor Cost in This Country Is Double That of England.**

*From the Congressional Record of June 25, 1909.*

ROBERT M. LAFOLLETTE, of Wisconsin. On page 25 of his report, Mr. Clark gives the following table of wages in the worsted industry in Italy, France, England and the United States:

	Italy.	France.	England.	United States.
Sorters .....	\$4.60	\$6.40	\$7.30	\$12.50
Washers or dyers. ....	3.00	4.25	5.60	7.00
Carders .....	2.30	4.00	3.90	6.00
Gill boxes .....	2.30	3.70	3.00	6.00
Comb minders .....	2.30	3.70	3.00	6.00
Boss spinner .....	7.00	9.25	12.00	18.00
Mule spinner .....	5.80	6.20	7.30	9.50
Ring spinner .....	2.30	4.00	3.00	6.00
Weavers .....	3.00	4.60	4.00	9.00
Fullers and pressers .....	3.50	4.25	6.00	7.00

This table shows that the wages are lowest in Italy, higher in France, still higher in England, and highest in the United States. Mr. Clark also adds that the cost of living is lowest in Italy, higher in England, still higher in France, and highest in the United States. At the same time, as would have been expected, the productive efficiency of labor is lowest in Italy, higher in France, still higher in England, and highest in the United States. Mr. Clark does not furnish any figures that would show the extent to which the greater efficiency in the United States offsets the greater cost of labor. Mr. Clark's table shows that wages in the worsted industry in this country are from 17 to 125 per cent higher than in England.

To be on the safe side, as a Protectionist, I shall assume in my calculations that the labor cost in this country is double that of England, thus making no allowance for the higher efficiency of labor in this country.

### Should the Duty on Scrap Iron Be the Same as the Duty on Pig Iron?

*From the Congressional Record of June 25, 1909.*

ALBERT B. CUMMINS, of Iowa. Mr. President, it will be observed that this amendment takes from the paragraph scrap iron and scrap steel, to be dealt with hereafter as the Senate may desire. I intend to follow this amendment by another reducing the duty on pig iron to \$1.50 per ton. But the first thing upon which I desire the judgment of the Senate, I do not know what it will be, is the proposition of combining in a single paragraph and under a single duty pig iron and scrap iron. While they bear some relation to each other with respect to the propriety of the duty imposed upon one or the other, in my opinion there ought to be no duty on scrap iron and scrap steel. These are purely waste material. They have already served their purpose commercially and they have already paid their duty officially.

As is well known, in this country the railways are the large producers of scrap iron and scrap steel, and there is neither philosophy nor justice in adding to the value of this material, which is simply the accumulation of use, by putting the duty that is proposed upon it. The duty simply adds so much to the cost of iron

and steel. All Senators know that in one of the processes for making steel, scrap iron and old steel are necessary materials. The open-hearth process, which is now rapidly coming into favor, and which bids fair to displace the Bessemer process, requires for its successful operation a certain proportion of scrap iron and scrap steel. It seems to me that we are

### *Pushing the Doctrine of Protection to an Undue and Unjustifiable Length*

to attempt to impose upon this waste the duty that we impose upon pig iron.

I realize that there is some apprehension on the part of some members of the committee that we might be defrauded by those who enter the practice of breaking up pig iron and importing it as scrap iron and scrap steel, but it is entirely feasible and it is altogether easy to provide, if you impose any duty upon scrap iron and scrap steel, such limitations and restrictions as will absolutely prevent any deceit or deception of this character.

I want, first, therefore, a vote on the amendment to eliminate scrap iron and scrap steel from this paragraph. After that I intend to offer an amendment reducing the duty on pig iron itself. There is no justification for a duty of \$2.50 per ton on pig iron. I am not going into the details of it. I have already treated it at some length, and every Senator here is familiar in a general way at least with the production of this material. It is the basic material for the smaller independent manufacturers. I do not claim that all duty should be removed, but we ought to reduce his burden to the lowest practicable point.

### *Every Ton of Scrap Displaces a Ton of Pig.*

Mr. OLIVER. Mr. President, every ton of scrap that enters into the manufacture of iron displaces just a little more than a ton of pig iron, because scrap, having once been manufactured, the waste in the use of scrap is less than attends the manufacture of iron from pig. Of course, scrap not being a manufactured article, there is no Protection involved so far as the producers of scrap are concerned; but inasmuch as every ton of scrap displaces a ton of pig iron, it is necessary for the Protection of our manufacturers of pig iron that the same Protection be allowed on scrap coming

into the country as is allowed on pig iron.

### *Oriental Competition Knocking at Our Doors.*

Replying to the Senator from Iowa [Mr. Cummins] with regard to the duty on pig iron, I send to the desk and ask to have read an extract from an article which was published in the Review of Reviews in February, written by a native of China, of English or American parentage, with regard to the advance that is being made in the Far East in the manufacture of pig iron.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

Fifteen hundred tons of pig iron from the iron and steel works of Hanyang, China, traveled 600 miles down the Yangtse River and 14,000 miles by sea and were laid down in Brooklyn, N. Y., in 1907, at \$17.50 a ton. Thus did commercial competition come knocking at our doors to serve notice that the new China was no longer a surmise, but a fact. Under semi-official management 3,500 workmen at Hanyang turn out daily 500 tons of pig iron and 250 tons of steel. They made the rails and much other constructive material for the 750 miles of Peking-Hankow Railroad and for most of the other Chinese lines since then, besides exporting in 1907, 37,000 tons of pig and manufactured iron. To-day they are putting up another plant for the manufacture of cars, steel bridges, and other structural material. That is a partial expression of the new China, and in such language there is no equivocation. ("The China That Is," by David Lambuth, the American Review of Reviews, February, 1909.)

Mr. BACON. Will the Senator permit me to ask him who are the proprietors—the owners—of the iron industry in China, the product of which has just been given?

Mr. OLIVER. I really do not know, but that article, which is a very interesting one, states that it is made under governmental supervision. So I suppose the Government perhaps has something to do with it.

### *Not Owned by Americans.*

Mr. BACON. It is not owned by Americans?

Mr. OLIVER. Oh, no; not at all.

Mr. BACON. I will ask the Senator, with his permission, what was the explanation of this importation of that iron which was brought to New York. Was it brought for a specific purpose, or sent as a sample?

Mr. OLIVER. The article does not state, but it is presumed that if any person would import 1,500 tons of pig iron, he would do it as a commercial proposition. It was delivered in Brooklyn at \$17.50, which confessedly is less than our manufacturers can make it and transport it to Brooklyn for.

Now, Mr. President, this manufacture of pig iron in the Far East, of course, is a cloud no bigger than a man's hand, but the cloud that hangs over us from Germany is one that is imminent and threatening. When we come to a discussion of the pig-iron duty, I think I have facts I can present that will prove conclusively that unless we maintain this or a better rate of duty on pig iron we are going to surrender a large part of our trade to the manufacturers of the German Empire.

### *Furnace Men Protest.*

Mr. BURTON. The strongest protests which I have received against the Payne bill have been from the independent furnace men on the Ohio River in the neighborhood of Ashland, Ky., from Ironton, Ohio, and from the Mahoning Valley, who say that if scrap can come in for a less duty than pig iron, their business will be very seriously impaired.

If this proposition is ridiculous, as has been, I think, rather carelessly alleged, we have been having a ridiculous schedule in the years that are past. Under the law as it now is, and as it has been for many years, the duty on scrap iron is the same as that on pig iron. It is now \$4 on pig iron and also \$4 on scrap iron and scrap steel. Business has adjusted itself to that uniformity of rates, and in reducing this to \$2.50 a cut is made, which is all that should be asked of the furnace men.

Scrap iron has the same manufacturing value as pig iron in the production of steel, and should bear the same rate of duty. A ton of scrap takes the place of a ton of pig iron. In the manufacture of steel by the open-hearth furnace method, the furnaces may be charged with 20 per cent scrap and 80 per cent pig iron, or vice versa. The largest aggregate producer of scrap in the United States is the farmer. The largest producer and consumer is the steel corporation. With a 50-cent duty on scrap, pig iron would be broken up into scrap forms and imported as scrap, when the United States would become the dumping ground

for scrap from all over the world and many of the blast furnaces for making pig iron would be closed down.

#### *Should Pay the Same Rate of Duty.*

Scrap iron and scrap steel have always been considered the same as pig iron, and should be so considered now. These three commodities should pay the same rate of duty. Our opinion is that it should not be lower than \$3 per ton. The very low rate of duty provided for scrap iron and scrap steel in the Payne bill will bear heavily against the merchant blast furnaces in the East, and will tend to reduce the value of their product by compelling them to compete with cheap foreign scrap. These eastern furnaces are entitled to the same rate of Protection against cheap scrap that they receive against foreign pig iron. A very large quantity of scrap iron and steel has been accumulated by the railroad companies during the last eighteen months, and they will offer the same for sale as soon as they can afford to replace with raw material.

A Tariff of 50 cents a ton on scrap would shut down every southern blast furnace. The average consumption of scrap iron and scrap steel for the past three years at a plant of the steel corporation located at Worcester, Mass., was 73,000 tons, and the consumption last year of one of its plants at Philadelphia was 110,000 tons. Every bit of this scrap was used in the manufacture of open-hearth steel.

#### *Same Rate in All Previous Tariffs.*

Mr. ALDRICH. All previous Tariffs have fixed a duty at the same rate. The present law fixes a duty of \$4 a ton upon pig iron and scrap iron of all kinds. The difficulty about the thing is that, if you put a duty upon pig iron at one rate and a duty upon scrap iron at another rate, all the pig iron will be introduced in the United States as scrap iron. It is easy enough to break pig iron into pieces and have it come into the country as scrap iron. I have never yet seen a definition that I was willing to trust as to what constitutes scrap iron and what constituted what might be pig iron or some other description of iron broken up into pieces for the purpose of introducing it at a lower rate of duty; in fact, I do not myself quite see what would prevent the highest forms of steel—take, for instance, steel that might be worth 6, 8, or 10 cents

a pound—being introduced into this country as scrap steel. It is an extremely difficult subject to handle, and the makers of Tariffs heretofore have tried to get over that difficulty by fixing the duty upon scrap iron and scrap steel and pig iron at the same rate.

There are certain manufacturers in the Eastern part of the country along the Atlantic coast who desire to have lower rates on scrap iron and steel, because they use it as a raw material. There is no question that a large class of manufacturers along the Atlantic seaboard would get an advantage by having scrap steel and scrap iron admitted at a lower rate than pig iron, because for their purposes they answer the same use.

#### *Would Cut Down the Use of Pig Iron.*

Mr. CRAWFORD. Does the Senator from Rhode Island state to me frankly that he thinks that scrap iron from Belgium or elsewhere across the Atlantic Ocean, brought to the Atlantic coast, would jeopardize and change the industry of the production of pig iron in the districts west of the Allegheny Mountains?

Mr. ALDRICH. I say very frankly to the Senator from South Dakota that if there should be considerable importations of scrap iron and scrap steel into the Atlantic Coast States for use in foundry purposes, and for various things of that sort for which it would be used, to that extent it would cut down the use of pig iron for the producers of pig iron throughout the country, wherever they are located. I think that is perfectly plain, and must be apparent to everyone.

#### **Why Agricultural Implements Should Not Be Put on the Free List.**

*From the Congressional Record of June 25, 1909.*

NELSON W. ALDRICH, of Rhode Island. . . . The International Harvester Company have not only large plants in the United States, but they have, as the Senator from Minnesota has already suggested, large plants in Canada, and they are erecting large plants in three or four foreign countries. They fix the prices for their own product both here and abroad. I do not say that they fix the prices of the agricultural implements in the United States, because I do not think

they do, but they fix the price of their own products, which are well known throughout the world.

If this company should make agricultural implements in Germany or in France or in Canada more cheaply than they could in the United States, they might transfer the manufacture altogether to those countries and sell their product in the United States at the same price they do now, because they have no competitors in that field, according to the Senator from Georgia.

The sole result of this suggested legislation might be to enable the International Harvester Company to make their machines in Belgium and send them to the United States and sell them here at their own prices, having manufactured them at a less cost abroad than here. If there were no other reason why the amendment of the Senator from Georgia should not be adopted, that is a first-class reason, according to my idea.

Aside from that, as I stated before, Protectionists—and I mean to include all grades of Protectionists so far as I know—are not in favor of putting manufactured articles on the free list, because, in a certain case, there happens to be a combination for the time being in their manufacture. They believe that that action would necessarily prevent competition in the United States and would put the whole industry into the hands of existing combinations beyond recovery. It seems to me there can be no question about that at all. So, I can not understand how any Senator who believes in caring for American industries should be in favor of putting agricultural implements upon the free list.

### Prices of Harvesting Machinery in the United States and in the Principal Countries of Europe.

*From the Congressional Record of June 25, 1909.*

ALBERT J. BEVERIDGE, of Indiana. Just a minute, before the vote is taken. Some days ago, when this question came up, I made an investigation of the consular reports. I have made a compilation here, which shows the remarkable fact that the International Harvester Company, instead of selling its machinery abroad cheaper than it does here,

sells it cheaper here than it does abroad. It gets more for its agricultural machinery in foreign countries, according to these consular reports, than the same machines bring here. If that be true, Mr. President, it is certain that the International Harvester Company is perfectly indifferent whether these machines do or do not go on the free list. The exportations of these machines by the International Harvester Company, according to consular reports, bring it a greater price than it gets for the machines it sells here. So far as the Harvester Company is concerned, I think it would welcome Free Trade. But by putting these machines on the free list I can see the possibility of injuring such manufacturers of agricultural implements as are not in the trust and yet not helping the farmers a bit. There are several of them in my State. I think there are a few in every State in the Union.

The International Harvester people do not in the least need this duty. I do not know whether the independent manufacturers need it or not; but if anybody does need it, they do.

Mr. GALLINGER. The Senator very aptly suggests that he does not know whether the independent manufacturers need this Protection or not. I want to suggest to the Senator that putting these articles on the free list may be a very great advantage to the Harvester Trust in this respect: They now have a factory in Canada; they are about establishing factories in Germany, in France, and very likely in other countries.

If they can get these machines manufactured cheaper abroad than they are manufactured here, putting them on the free list would be a great advantage to them in the way of enabling them to export them to this country.

#### *Comparative Statement of Prices.*

Mr. BEVERIDGE. I think I will put this compilation in the Record. If there should be any mistake about the figures—though I am sure there is not, because it has been very carefully compiled—it can be corrected. I should like to put that in the Record.

The VICE-PRESIDENT. Without objection, it will be printed in the Record. The statement is as follows:

*Comparative statement of the retail prices of binders, mowers, reapers, and rakes in the United States and the principal European countries, as shown by the reports of Bureau of Manufactures, United States Department of Commerce and Labor.*

	Binder.	Reaper.	Mower.	Rake.
United States .....	\$125.00	\$75.00	\$50.00	\$22.00
Great Britain .....	135.16	81.22	55.80	26.70
France .....	173.70	105.18	63.69	29.91
Germany .....	203.00	113.00	67.50	27.00
Denmark .....	167.50	91.12	60.30	30.82
Sweden .....	160.80	80.04	60.30	24.12
Hungary .....	243.60	121.80	81.20	36.54
South Russia .....	169.95	96.82	66.95	27.29
North Russia .....	180.25	91.70	66.95	29.05
West Siberia .....	187.98	101.97	72.10	30.90

NOTE—The foreign prices are taken from the official reports published in the Daily Consular and Trade Reports. Issue of February 23, 1909 (No. 3413); issue of March 3, 1909 (No. 3420); issue of April 8, 1909 (No. 3450).

**American Workingmen Would Be at the Mercy of the Harvester Trust.**

Mr. PILES. The Senator said, and I think correctly, that every American machine that is sent abroad carries with it the wages of an American workman.

Mr. SMITH, of Michigan. Certainly.

Mr. PILES. Such being the case, I should like to ask the Senator this question: Suppose the International Harvester Company having, as it has, large manufacturing plants in the United States, should establish similar plants in Germany or any other foreign country where its machines can be manufactured at a less cost than in this country; would not the American workman be at the mercy of the Harvester Company if its machines were admitted free of duty?

Mr. SMITH, of Michigan. Yes; and I doubt whether the price would be lowered to Americans.

Mr. PILES. In the case of a strike against a reduction in the American wage scale, all the Harvester Company would have to do to bring its workmen to its terms would be to import its machines free of duty from its foreign factory until its workmen acceded to its demands.

Mr. SMITH, of Michigan. Certainly. Mr. President, I agree entirely with the admirable statement of the honored Senator from Washington. It would not only be a most extraordinary competition for us to invite, but it would absolutely put the American workingman in the agricultural-implement factories of our country out of business; and if this course is to be pursued, the wage-earner, who is the customer of the farmer and the patron of all other producers within the radius of his necessities, would suffer a loss of purchasing power.

**Also True of Sewing Machines.**

The other day the Senator from Mississippi [Mr. McLaurin] offered an amendment to put all agricultural implements and sewing machines on the free list. I ran over in my own mind the number of American workmen who would be thrown out of employment if that were done, and I figured it into the tens of thousands. Every one of those Americans is a consumer of our products; he is a consumer of the agricultural products of the farms; he is a consumer of the work of every loom; he is a user of the products of every factory; and is a patron of every other employee under our industrial system. I would no more throw the markets of this country open to the free importations of that kind of products than I would burn the humble home of the artisan, mechanic, and American laboring man.

**A Southern Democrat Favors a Protective Tariff on Long Staple Cotton.**

*From the Congressional Record of June 28, 1909.*

AUGUSTUS O. BACON, of Georgia. Mr. President, the paragraph as it now stands in the bill puts all cotton on the free list. The purpose of the amendment is to remove long-staple cotton from the free list. So far as relates to the common article of cotton, that which is generally known as the "commercial cotton" of the country, it is entirely proper and in accordance with the wishes of those who are most interested in cotton that it should be on the free list. I suppose ninety-nine one-hundredths or

more of all the cotton that is raised is of the common upland variety.

It may be a matter of some little interest and somewhat of surprise to the Senate to know that in the year 1907—the date of the last Statistical Abstract—there were, in round numbers, 210,000 bales of what is known as "long-staple" cotton imported into the country. It is a class of cotton which is not used at all for the ordinary manufactures of cotton. It is used only in the manufacture of very high class goods, such as cotton laces, a very high grade of knit underwear, and things of that kind. Almost every pound of the Egyptian cotton goes to one section of the country—New England. I do not suppose a single pound of it comes south of New York City; certainly not, unless it is to New Jersey and possibly Pennsylvania.

I should not be in favor of putting the same duty upon long-staple cotton that is put upon wool, because I regard the latter as a Protective duty. But I should be glad to see wool and long-staple cotton put upon the same basis as far as a legitimate, reasonable, revenue duty is concerned. There is no reason in the world that can be urged in favor of a revenue duty upon wool that can not be urged with equal strength in favor of a revenue duty upon long-staple cotton.

#### *The Speech Rather an Extraordinary One.*

Mr. ALDRICH. I think the speech of the Senator from Georgia is rather an extraordinary one. I was curious to see what argument the Senator would adduce for the imposition of this duty. The Senator says there are 100,000 bales of long-staple cotton produced in the United States.

Mr. BACON. Less than that.

Mr. ALDRICH. Less than that. It is entirely produced in three States—in Georgia and South Carolina and Florida. He says that the area can not be increased, and that the production can not be increased largely.

Mr. BACON. I did not say it could not be.

Mr. ALDRICH. Well, probably it could not be. If the Senator will permit me—

Mr. BACON. I will state, in order that the Senator may have it accurately, that it can not be enlarged beyond a certain distance from the seashore.

Mr. ALDRICH. I supposed, of course,

the Senator from Georgia was going to ask for the imposition of this duty merely for Protective purposes under the guise of a duty for revenue only; but it seems that there is no Protection in it, according to the Senator's statement. It is only a question of imposing 4 cents a pound on Egyptian cotton. Now, Egyptian cotton does not compete with the cotton produced in the United States in color and in texture. It has a use of its own, and the long-staple cotton raised in Georgia, South Carolina, and Florida does not compete and can not compete in the large part of uses with the Egyptian cotton at all. Egyptian cotton, as the Senator says, is used in the manufacture of laces. There are very few laces made in the United States.

#### *Why Egyptian Cotton Should Not Be Dutiable.*

The rates which are imposed under the amendment which I suggested a few days ago are not upon such laces as are made in the United States, and not a pound of Egyptian cotton imported into the United States is used at all in the manufacture of that class of laces. Egyptian cotton goes into fabrics of all kinds where the particular color and particular texture and particular length of staple are necessary. It is used in the development and diversification of cotton making in every State in the Union. It is used very largely in the Senator's own State, and it will be used very largely in the State of South Carolina, because in the manufacture of certain fabrics in common use they are obliged to buy Egyptian cotton.

I make this proposition: That a duty of 4 cents a pound on Egyptian cotton would be added to the cost of Egyptian cotton imported in the United States. There is no competition here. Every cent of it will be added to the cost of the cotton that is imported, and every cent of it will be added to the cost of the fabrics which are made from cotton. It is mixed with the cotton grown in all the cotton-growing States of the Union.

There is no woman in the State of Georgia to-day, probably, who is not wearing garments that are made from long-staple cotton, from Egyptian and other cotton of that size. It is in use in every family in the State of Georgia. The duty will be added to the cost. There is no escape from it. It will add to



the cost of every pound of Egyptian cotton brought to the United States and to the cost of every article made of Egyptian cotton. For what good? For Protection? No; the Senator from Georgia is not willing to admit that it is for Protection. The Senator from Georgia has voted consistently and persistently for free wool and for free everything else.

#### *Calhoun Placed the First Protective Duty on Cotton.*

I can not conceive how the Senator from Georgia, with his well-known views upon all these subjects, can possibly ask the Senate to adopt a Protective duty or high duty upon an article not produced in the United States when he says himself it can have no effect upon the producers in the United States.

When this matter was up in the Senate before, the Senator from Georgia had a colloquy with the Senator from Texas, in which both Senators agreed that there was a duty upon cotton in all the earlier years, and it was taken off for the benefit of the manufacturers. Now, let us see what the facts were in that respect: The duty on cotton was first placed in the act of 1816 by Mr. Calhoun and his associates. It remained upon the dutiable list until 1846.

There is no justification for it as a revenue duty. If it is imposed, it will add 5 or 6 cents a pound to the cost of every article and every fabric in which sea-island cotton is used, because nothing can take the place either in color and in texture and in length of staple. Why should the Senate of the United States be asked to impose this duty of 4 cents a pound or 30 per cent ad valorem upon this article which is not made in the United States, which can not be made here, and which, with the limited amount of importations, would be simply added to the cost of the fabrics made in this country?

#### *Democratic Doctrine of a Tariff for Revenue.*

Mr. BACON. I will read what I do not think has been read, although reference has been made to the Walker report several times, the cardinal principles upon which R. J. Walker thought should be based the framing of a Tariff bill. I will read them. There are six.

First—

Of course, the first one is a matter of economy—

First. That no more money should be collected than is necessary for the wants of the Government, economically administered.

Second. That no duty be imposed on any article above the lowest rate which will yield the largest amount of revenue.

Third. That below such rate discrimination may be made, descending in the scale of duties, or, for imperative reasons, the article may be placed in the list of those free from all duty.

Fourth. That the maximum revenue duty should be imposed on luxuries.

Fifth. That all minimums and all specific duties, should be abolished and ad valorem duties substituted in their place, care being taken to guard against fraudulent invoices and undervaluation, and to assess the duty upon the actual market value.

Sixth. That the duty should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section.

I agree to each and all of these principles; and the sixth is a principle which I think it a vital one in the framing and imposition of a Tariff.

#### *The Enforcement of the Doctrine Depends Upon Circumstances.*

Mr. ALDRICH. As I now understand the Senator, Mr. Walker's report and Tariff are conclusive upon Democrats when it happens to meet their views at the present moment, but if it happens to be contrary to their views at the present moment it is obsolete.

Mr. TALIAFERRO. Mr. President, a part of this long-staple cotton is grown in Florida, and the people there, I should like to say for the benefit of the Senator from Rhode Island, make no concealment of the fact that they would like to have some Protection on their cotton. They contend and they believe that the Egyptian cotton comes in competition with their cotton. They believe that the two are mixed, and that in some instances the Egyptian cotton is substituted for the long-staple product of this country.

#### *A Democratic Legislature Asked for Protection.*

Sometime ago the legislature of Florida passed a memorial requesting the representatives from that State to support a provision for a duty on long-staple cotton. That legislature made no hesitation in asking for the duty, Protective or otherwise, and the people make no concealment of the fact that they are suffer-

ing from foreign competition. We are not here asking that a prohibitive duty be written in the bill. We ask that the amount which has been suggested by the Senator from Georgia, I think it was 5 cents a pound originally, be placed on Egyptian cotton.

Mr. FLETCHER. Mr. President, there can be no question, I think, that Egyptian cotton does come into competition with the long-staple or sea-island cotton grown in South Carolina, Florida, and Georgia. If it does not come in direct competition, it certainly displaces in the mills of this country the long-staple or sea-island cotton. The people who are interested and those engaged in the industry are thoroughly convinced there is direct competition with Egyptian cotton.

Labor in Egypt costs from 10 to 20 cents a day, while in this country, as is well known, it costs from a dollar to a dollar and a half a day. The importations will increase, unquestionably, and you will not stop a single pound even if you place this duty at from 5 to 8 cents a pound instead of at 4 cents, as contemplated by this amendment.

#### *To Put Cotton Ties on the Free List.*

Mr. CULBERSON. I offer an amendment which was proposed May 3, 1909, as paragraph 583½ on the free list.

The PRESIDING OFFICER. The Secretary will read the amendment.

Mr. CULBERSON. It is to put cotton ties on the free list.

The SECRETARY. It is proposed to insert the following paragraph:

583½. Hoop or band iron, or hoop or band steel, cut to lengths, or wholly or partly manufactured into hoops or ties, coated or not coated with paint or any other preparation, with or without buckles or fastenings, for baling cotton or any other commodity.

Mr. ALDRICH. Mr. President, there is no more reason why cotton ties should be put upon the free list than that steel rails should be. The present duty on ore itself is half a cent a pound. It is reduced by this bill to three-tenths of a cent a pound, or \$6 a ton. With the unrivaled iron resources of Virginia, Tennessee, Alabama, and Georgia, with their ore deposits and opportunities to manufacture ties, every Senator from the South ought to vote against this proposition. There is no reason for it whatever. The duty on pig iron is \$2.50 a ton and on

cotton ties only \$6 a ton. They ought to be made in the South, and the South ought to be opposed to any proposition of this kind to have them imported from a foreign country.

Mr. LODGE. I only want to say that I have not the slightest doubt that if bagging and ties were admitted free the New England mills would cease to pay for them; but, Mr. President, I see no reason why industries, such as the manufacture of bagging and ties, fairly built up under the system of Tariff that we have had for many years, are not entitled to a reasonable Protection like any other industry in this country.

#### **A Southern Democrat and Free-Trader Pleads for Protection for South Carolina Tea.**

*From the Congressional Record of June 28, 1909.*

BENJAMIN R. TILLMAN, of South Carolina. Now I ask the Senator and his brethren on the other side of the Chamber to give me a duty on tea to help protect an American industry which is struggling and is in its infancy; but it is a lusty little baby and can cry; and if the Senator thinks we do not produce tea, I will give him some nice tea tomorrow from South Carolina that will cool his "inwards" and will make him feel so good that I think he will agree to give us this duty. [Laughter.]

Mr. ALDRICH. Was it produced in South Carolina or in a laboratory?

Mr. TILLMAN. It was produced on a farm in South Carolina, and I have just had a communication from Doctor True, the expert of the Bureau of Plant Industry of the Agricultural Department, in charge of the tea experiments. The product varies as the bushes grow older; but it has increased. I will ask to have the communication printed in the Record, if there is no objection.

There is no more doubt that we produce tea in South Carolina, and can produce it, than that you produce cotton cloth in Rhode Island or that you produce corn in Rhode Island.

Mr. ALDRICH. The Senator is addressing me upon the subject of a tax on tea. I say to him that I would not object especially to a tax on tea under some circumstances. If we were not getting sufficient revenue from other things, and

purely as a revenue duty, I would not object to a tax on tea.

Mr. TILLMAN. I want a Protective Tariff on it.

Mr. ALDRICH. I do not believe the Senator can ask for that with any sort of reasoning or assurance.

*Has Voted for Protection for Rice and Other Southern Products.*

Mr. TILLMAN. I have in the past voted for a duty on rice and on some of our other products.

Mr. ALDRICH. Has the State of South Carolina ever offered a bounty to encourage the tea industry?

Mr. TILLMAN. South Carolina does not believe in bounties.

Mr. ALDRICH. They believe in bounties if the United States will pay them?

Mr. TILLMAN. No; I would not vote for a bounty on tea now; it is against my principles. I do not believe in the Government taxing the people to give anybody a bounty, but if you give indirect help—I mean if you levy a revenue duty which gives incidental Protection—that is good Democracy; and if it is not good enough for my friends over here, it is good enough for me.

Mr. ALDRICH. I am very much afraid that there will be no Democratic doctrine that will be adhered to by everybody on the other side.

Mr. TILLMAN. The Senator may take care of the doctrine of his own party. There is a greater split on his side than there is on this.

Mr. ALDRICH. Between the Senator from Maryland [Mr. Rayner], who is now listening to me, the Senator from South Carolina [Mr. Tillman], and the Senator from Georgia [Mr. Bacon], they are all at sea as to what are the real doctrines and principles of the Democratic party.

*Two Well-Defined Republican Factions.*

Mr. TILLMAN. And as to the Republican party, it is too much to expect any of us to know what the Republican party stands for. There are two well-defined Republican factions in this Senate.

Mr. ALDRICH. There is more cohesion over here in principles, if there is some difference when it comes to votes, than there is on the other side.

Mr. SMITH, of Michigan. From what I know of the tea industry, I should not hesitate one moment to vote to put a bounty on the production of tea. I am a

little surprised that the State of South Carolina has not undertaken it. In the early stages of the beet-sugar industry we did exactly that in the State of Michigan, and the Government saw fit to do it later on, with no better prospects of success than are disclosed by the Senator from South Carolina to-day.

Mr. TILLMAN. I do not think the Senator would get from the taxpayers of South Carolina much support for the proposition to tax them on their other products—cotton, corn, and so forth, which are largely the source of their income—in order to try to grow something else. They would say, "If it can not be grown on its own hook, we can not afford to encourage it in that way."

Mr. SMITH, of Michigan. That would not be out of harmony with the historical analogy, however. We have put a Tariff on a great many things the South formerly thought we could not produce; yet we have demonstrated our ability to produce them, and have become independent of foreign countries in regard to them.

Mr. TILLMAN. I am asking for a Tariff; I am not asking for a bounty.

Mr. SMITH, of Michigan. I wish we could monopolize the American market with our tea.

Mr. TILLMAN. We certainly can do it if you will give us the same encouragement that you are giving wheat.

*An Enterprise that Should Be Encouraged.*

Mr. HEYBURN. If the Senator does not object to my making at this time such suggestions as I desire to make, I will say that for a number of years I have taken considerable interest in this question. For six or seven years we have used nothing but South Carolina tea; and we use it because of its quality. If anyone will open a package of South Carolina tea and open a package of the best imported tea to be had in the market and compare them, he will not hesitate a moment to declare in favor of the South Carolina tea. It is free from the broken leaves and dusty conditions that even the best other tea has; and it has the very best flavor of any tea you can get in the market.

I know of men—it is not necessary to mention their names; they are northern men—who have expended from \$75,000 to \$100,000 in this proposition of raising tea in South Carolina; and I have from them their report on the possibilities of raising

tea in the South. They tell me that after a most careful and scientific investigation they find that the tea belt that is just as good as that which has been developed in South Carolina extends clear to the Mississippi River, and that it can be extended over a vast amount of country. They have backed their judgment and their investigation with cash, and they stand ready to do so further. They think there should be a duty on tea. And if I vote for the amendment of the Senator from South Carolina, it will be because I believe that an enterprise of such importance to all of the people should be encouraged and built up; and I will do it on the ground of the principles of the Protective Tariff.

*Protectionists Should Discriminate in Its Favor.*

Mr. CARTER. Mr. President, I think it is clear from the history of the tea trade, the history of our tea duties, and the testimony of those best able to understand the facts from experience, that this country pays more for tea than any other tea-using country; and, moreover, that this country gets the poorest tea shipped into any market in the world. If it is possible for us not only to improve the quality of tea in the market, but likewise to encourage the production of tea at home, and that without the addition of a farthing to the cost to the consumer I think a long-continued debate on the question should not be considered necessary. Our friends on the other side of the Chamber may support this as a revenue Tariff, or a Tariff for revenue only. On this side I know that as an industry, the success of which in the United States has been demonstrated on a small scale, we, as Protectionists, are called upon to discriminate in its favor in order to give the American market to the American tea grower, just as we gave the American market to the manufacturers of tin plate in the United States.

Mr. SCOTT. I wish to ask the Senator from South Carolina if he really thinks if we put this duty of 10 cents a pound on tea, it will encourage the growing of tea in the United States to any susceptible extent? Is it a kind of industry that we can build up by putting a duty on tea, in the opinion of the Senator from South Carolina?

Mr. TILLMAN. Mr. President, I want to say on my word of honor as a man

that from my investigation we have in the South, and especially in South Carolina, the possibility of not only supplying all the tea which we need in America, but of becoming an exporter of tea.

Mr. SMITH, of Michigan. Mr. President, I can not conceive of a better case than that made by the Senator from South Carolina. It is strictly within every rule of Protection. If we can absolve our people from the necessity of sending abroad millions of dollars to pay for foreign tea, and can retain that money in the circulating medium of our country for the benefit of our own people, I do not understand why we should not be willing to do it.

Mr. CARTER. Mr. President, intending, as I do, to support the amendment of the Senator from South Carolina [Mr. Tillman], I elect to consume a few moments in stating the reasons why I intend to cast that vote.

First,

*It is a Genuine Pleasure to Welcome the Senator from South Carolina into Ways Which Are Right Politically and Right Economically.*

He, too, gives additional evidence of the approach of that day when the great western country and the southern country will unite in supporting the Protective Tariff, which is destined to result in the erection of factories and centers of industrial activity all over the great region south of the Ohio and Potomac and west of the Mississippi.

Much has been done in this direction heretofore, but more will be done hereafter; and I am much gratified to observe that the Senators from the South have given evidence of their capacity to appreciate the beneficial effect of that policy, notwithstanding the ancient prejudice which has existed against it.

To my mind, as a Protectionist, no amendment has been presented in the course of this Tariff discussion more meritorious or desirable than the amendment presented by the Senator from South Carolina. Many years ago not an orange was produced in the United States; and grape fruit, now an article of commerce of very great value and a joy and luxury on every table where it can be delivered, was not known. The United States gave a bounty in lands within the State of Florida to encourage the growth of tropical fruits in that por-

tion of the country. An enthusiast, who had been in the consular service in Central America, secured the passage of that law, or was instrumental in presenting the facts which induced its passage. He died without realizing the dreams which he had dreamed; and yet that old land grant, which gave a bounty in land to induce the planting of tropical fruits in the Gulf States, particularly in Florida, finally led to the immense output of tropical fruits now grown within the limits of the United States—in California, the Gulf States, and Florida in particular.

#### ***Development of Beet Sugar and Tin Plate Under Protection.***

Not long ago different States of the Union gave a bounty on sugar beets. The States which provided that bounty were regarded at the time as engaged in a vicious practice, and many believed they were indulging in an Utopian dream; but in due time the bounty on sugar, and subsequently the duty which encouraged the growth of sugar beets, resulted in opening up the way for the production by the people of the United States in their own fields of the great volume of the sugar required for home consumption.

I remember not many years ago, when the McKinley bill was passed, it was believed that the tin-plate duty would never produce any beneficial result. At the time we levied a duty on tin plate we were producing little or none of that article; and I think we lost a general election upon the claim that we were putting a duty upon tin plate, without any prospect whatever of building up an American industry or benefiting any American citizen; but we have lived to see the time—and within a few years—when no one questions the wisdom of the Committee on Ways and Means and of the Congress in imposing that duty.

#### ***Both for Revenue and for Protection To an Infant American Industry.***

Mr. BRADLEY. Mr. President, it seems to me there should be no difficulty in any Senator arriving at a vote on the amendment of the Senator from South Carolina. As I understand the title of the bill now before the Senate, it is "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes."

This amendment, in the first place, is a revenue producer and in full line with the title of the bill.

In the second place it is a Protection to an American industry, and an infant industry at that. It seems to me that our Democratic brethren should have no hesitation in arriving at their conclusion, if they see fit, with a view to producing revenue, and it seems to me my Republican brethren should have no difficulty in arriving at a conclusion on the ground that we are Protecting an American industry.

So far as I am concerned, I shall vote for this amendment upon the theory of Protection. The Protection of industries in the West, in the East, and all through this country is Republican doctrine, and I want to see this doctrine extended to the people of the South. I want to see the time come when we will not be dependent upon foreign nations for the tea we buy, or rather the filth we buy, at their own prices, and I hope that the Republicans in the Senate will see fit, one and all, to cast their votes in favor of this amendment; and if our Democratic brethren want to call it something else, let them call it something else, but let us pass this amendment substantially with unanimity.

I want to see it passed, because I believe it is right, and it would be a great pleasure to me to cast my vote in favor of a measure which is suggested by my distinguished friend the Senator from the State of South Carolina.

#### **Why the Domestic Production of Tea Should Be Stimulated by a Protective Tariff.**

*From the Congressional Record of June 29, 1909.*

WILLIAM ALDEN SMITH, of Michigan. The answer to the Senator from Indiana [Mr. Shively], that our Tariff upon tin plate did not stimulate the domestic industry, can best be made by quoting the figures. In 1899, before we put on the Tariff, we exported 205,000 pounds of tin plate; and in 1907, after the duty had been on for a few years, we exported 19,804,000 pounds of tin plate, thus demonstrating that we not only supplied our domestic demand, but that we had an excess of tin plate for exportation of over 19,000,000 pounds, which

found its way back to Europe, with the stamp of the American laboring man upon it. That is a sufficient answer as to the effect of our duty upon tin plate.

I wish to put into the Record, so that I may not be misunderstood, the reasons why I would favor such a duty upon tea as would stimulate the domestic production. In the first place, the special agent of the United States Department of Agriculture says that—

It has been abundantly established that, at least for certain sections of the United States, American-grown tea can hold its own against the imported article.

A widespread American tea industry awaits the same advantages that are enjoyed by the sugar, tobacco, and other Protected crops of this country, whether in the form of a bounty on the domestic article or a duty on foreign teas, such as is levied on tea in almost every civilized nation.

He further says that tea is a necessity to many people, and that it is wise to cultivate the domestic supply, in order that our people may never be embarrassed in their supply, as they were in the supply of coffee but a few years ago when insects destroyed the plant.

Mr. President, it costs 12 cents a pound to produce tea in Ceylon or in the East. The American consumer pays from 60 cents to a dollar a pound for it. Somebody gets that tremendous profit between the grower of tea and the consumer; and all must admit that millions of dollars of American money go out of our country every year to pay for tea.

#### *As a Consistent Protectionist.*

Having confidence in the ability of our country and the character of our soil to produce almost anything that the American people need, I propose by my vote to extend the beneficent effects of our policy to the domestic tea industry.

If the same pessimistic and doubtful attitude of the opponents of this proposition had been applied to the beet-sugar industry, there would not have been an acre of sugar beets now produced in America. If the same doubtful attitude had been assumed toward tin plate, we would not now be exporting millions of pounds of tin plates and giving to the American consumer that necessary article cheaper than he ever bought it before the duty was placed upon it under the McKinley law.

The Japanese people consider the American market so essential that they

subsidize ships to handle tea exclusively between Japan and the United States.

#### *England Lays a Heavy Tariff on Tea.*

A few moments ago we were talking of the duty upon tea in England. Every great country in the world imposes a duty upon tea. England has a duty upon tea; and all those who have been talking about fashioning our domestic policy after the policy of England had better read the history of England a little more carefully. Some would have us abandon our Protective principle and impose a Tariff for revenue such as England imposes, in the face of the fact that the English people pay more per capita in import duties than the American people pay. While our import duties average about four dollars and a half per capita, the import duties of England average over \$5 per capita, thus showing that to change our policy and adopt theirs would impose greater burdens upon the American people than they are called upon to bear today.

#### **"I Shall Vote for a Corporation Tax as a Means to Defeat the Income Tax."**

*From the Congressional Record of June 29, 1909.*

NELSON W. ALDRICH, of Rhode Island. What I am trying to find out from the Senator from Georgia is whether he would vote for an income tax if he thought it would not be possible to revise this Protective Tariff according to his ideas, downward.

Mr. CLAY. I will vote for an income tax, because I believe it to be right, and I would continue to battle before the country to induce the country to send Representatives to Congress who would enact it into a law and who would reduce the Tariff duties on the necessities of life in proportion to the amount raised by an income tax.

Mr. ALDRICH. I shall vote for a corporation tax as a means to defeat the income tax.

Mr. CLAY. I think that is an honest statement.

Mr. ALDRICH. I will be perfectly frank with the Senate in that respect. I shall vote for it for another reason. The statement which I made shows a deficit for this year and next year. This year I estimated \$69,000,000. It will be

\$60,000,000. And next year I estimate a deficit of \$45,000,000. I am willing that that deficit shall be taken care of by a corporation tax. That corporation tax, however, at the end of two years, if my estimate should be correct, should be reduced to a nominal amount or repealed. It can be reduced to a nominal amount, and the features of the corporation tax that commend it to many Senators and a great many other people is that the corporation tax, if it is adopted, will certainly be very largely reduced, if not repealed, at the end of two years.

So I am willing to accept a proposition of this kind for the purpose of avoiding what, to my mind, is a great evil and the imposition of a tax in time of peace when there is no emergency.

#### ***A Tax Which Is Sure in the End to Destroy the Protective System.***

I have been perfectly frank with the Senator in stating my own views on the subject.

The Senator from Texas says he does not know whether the President of the United States succeeded in persuading me to support this amendment or whether I succeeded in persuading him. I will say to the Senator from Texas that this proposition of the President of the United States was made to the House Committee on Ways and Means long before I considered the subject at all, and I am here as a Republican to support the President and the Republican administration as far as I can consistently with my views of my duty to the country and my position as a Senator. I shall vote for this proposition for the very purposes I have named, and among them the fact that it is a Republican proposition and has the support of the President of the United States is not the least controlling.

#### ***Plea for the Poor Little Tea Baby.***

Mr. TILLMAN. I am not going to make any speech, but I am going to state a fact which it seems to me has escaped the minds of Senators. We have gone beyond the understanding that we were not to take up the income tax until the dutiable schedules are completed. The Senator from Rhode Island this morning served notice that as soon as the amendment on tea which I offered is disposed of he would then move to lay on the table any amendment proposed to the schedules of the bill. Now, my poor little tea baby

is lying in the pine woods crying for pap or something of that sort, asking for votes which will give us \$9,000,000 of revenue and satisfy the Democrats and give us \$1,200 of Protection and satisfy the Republicans, and Senators jump up this income tax, corporation tax, subterfuge, humbug, whatever it may be, and my poor little infant goes on suffering. Let us get back to the tea.

#### **Has Almost Demonstrated that the Consumer Does Not Pay the Tariff Duty.**

*From the Congressional Record of June 29, 1909.*

JOSEPH M. DIXON, of Montana. Mr. President, I am glad that the Senator from South Carolina brought up the question of pineapples. I voted for the pineapple duty of, as I understood it, about 25 to 30 per cent, because at this time we do produce about one-third of the pineapples consumed in this country; but I think it is carrying Protection to the furthest extreme for the people of this country to deliberately add \$10,000,000 a year to the cost of tea for the sake of protecting 12,000 pounds grown in one State.

Mr. SCOTT. I believe that the majority, speaking of this tea question, if they are Protectionists, have made a mistake. My theory as a Protectionist is, and always has been, that the Protection of the home industry always lowers the price of the article. I have no apology to make, though the Senator from South Carolina [Mr. Tillman] said a while ago that the majority would have to apologize for some of their votes. I shall not, for I have voted consistently on this Tariff bill from the standpoint of a Protectionist. If we can produce tea in this country, it will only be a short time before this production will bring the price down. This has been proved in the case of every article Protected, manufactured or agricultural, in the history of Protective Tariffs. That is the kind of a Protectionist I am.

Mr. DIXON. And that is the kind of a Protectionist I am; but when you start with only 12,000 pounds to supply an importation of 90,000,000 pounds, when we know it will take years to grow the tea plant, it is a different proposition. If it takes five years, the people will pay \$50,000,000 for the sake of establishing

the industry; and if it takes ten years, they will pay over \$100,000,000.

Mr. SCOTT. If this proposed duty be imposed, the people will not pay a cent more for tea than they are paying to-day. The Senator from South Carolina stated the case very properly when he said that the history of the price of tea substantiated the assertion that when the duty went on or went off it did not change the price of tea to the consumer.

Mr. DIXON. I want to confess that the Senator from South Carolina has almost demonstrated to me that the consumer does not pay the Tariff duty.

#### *How Raisin Production Was Stimulated by Protection.*

Mr. PERKINS. I want to give my friend from Montana an object lesson which will enable him to ease his conscience and vote for the proposed amendment of the Senator from South Carolina. Twelve years ago layer raisins and Zante currants, but raisins in particular, were worth from 10 to 15 cents a pound. We succeeded in getting a duty of 6 cents a pound placed upon them under what is known as the "Dingley law." We were then producing no raisins, comparatively speaking, in the United States. To-day raisins are selling for 3 and 3½ cents a pound in California, and we are producing enough layer raisins of the best quality to supply every person in the United States with them.

Mr. SCOTT. That is good Republican doctrine.

Mr. DIXON. The Senator from California has undoubtedly convinced my friend from West Virginia of the potency of his argument.

Mr. PERKINS. It is unanswerable, it seems to me.

#### *Ought to Get the Vote of Every Protectionist.*

Mr. DIXON. The Senator from South Carolina frankly says that he wants 10 cents a pound, as a matter of Protection, to develop the tea industry in the South.

Mr. TILLMAN. I say "Protection" on the other side, but I want \$9,000,000 for revenue on this side. [Laughter.] This is the only proposition that has come in here that catches you all; and it is only by all sorts of quibbling and inconsequential reasoning that you can vote against this proposition. I ought to get the vote of every solitary Republican Protectionist

in this Chamber, and I ought to get the vote of every solitary Democrat for revenue in this Chamber.

Mr. JONES. As I understand, the Senator from South Carolina is urging the Republicans to vote for his amendment on the ground of Protection. I wonder whether or not the Senator indorsed the Democratic platform of a few years ago, which denounced Protection as robbery, and whether the Senator is trying to have the Republicans here commit robbery.

Mr. DIXON. Would it hurt the feelings of the Senator from South Carolina, in spite of his protest against the doctrine of paying a bounty, if, notwithstanding his own opposition in the matter, the Senate deliberately ran over the Senator, figuratively speaking, and put 10 cents a pound bounty on tea?

Mr. TILLMAN. I am not here to complain of what the Senate does. If the Senate does not give me anything, I shall not worry. I believe I have presented a case here which is entitled to support in two particulars. It demands that every Protectionist in this Chamber shall support this duty, and it demands that every Tariff-for-revenue Democrat in this Chamber shall vote for this duty, knowing that we have a deficit.

#### **It Is Not the Protective Tariff that Gives the Trusts Their Power.**

*From the Congressional Record of July 1, 1909.*

JONATHAN BOURNE, JR., of Oregon. Personally, I attach but little importance to the schedules that may be enacted by Congress in this Tariff bill. To my mind there is but one fundamental question presented by the Tariff bill, namely, whether we stand for Protection or Free-Trade. As I understand, the chief criticism of the high-Protection opponents is based upon the claim that Protection fosters monopoly. What is monopoly? It is exclusive possession or direct control of supply and the resultant power to fix prices. But how about the demand? The demand is regulated by the necessity for and desirability of the use of the articles.

In my opinion it is impossible by legislation to create a monopoly on any manufactured product except where protected by patent, secret process, or absolute control of the raw material. A tem-



porary monopoly immediately incident to legislation, if productive of large profits, would be dissipated in a comparatively short time by domestic competition. The pending Tariff bill, to my mind, in no case can or does create by legislation absolute control of raw material, and therefore no matter what rate of duty might be put on a manufactured product there is no possibility of a monopoly being created and fostered thereby. This statement will be very generally disputed, but any man who will study the conditions and circumstances which enable any concern to maintain a monopoly will discover that the ownership of patents, possession of secret processes, or control of raw material, and not the Protective Tariff, gives the trust its power. The only exception to this rule has been found in the case of corporations which violate law by securing secret rebates or enjoyment of special privileges. Hence, the only two questions to be considered in Tariff legislation are those of revenue and adequate protection to home industries.

Because of these views and because I am a Protectionist in my attitude toward home labor and industries, believing that Protection means higher wages, that higher wages mean better citizenship, and because, Mr. President, I have felt that the Committee on Finance had better opportunities for collating data, far greater experience as to how the Tariff can best be applied to produce the greatest good for the greatest number, and I myself having neither the experience, information, nor means of obtaining data, I have voted almost without exception in support of the committee's recommendations. The Protective principle is undoubtedly growing in this country, and the national Republican nominees received many thousands of Democratic votes from those who believe that Protection to home industries is desirable and beneficial to the country.

### **Is the Income Tax to Create a Substitute for the Protective Tariff?**

*From the Congressional Record of July 1, 1909.*

ELIHU ROOT, of New York. Mr. President, I stated some objections to the general income-tax provision. Let me state another objection. What is the purpose of this legislation? Is it to

create a substitute for the Protective Tariff? My friend from Texas [Mr. Bailey], whose mind always works as true as a Corliss engine, touched the very pith of that question when he was speaking about the time when this income-tax amendment should be voted upon with reference to the schedules. The Senator from Texas observed on a number of occasions that, in his opinion, the first thing that we ought to do was to vote on the income tax, while the Senator from Rhode Island insisted that the first thing we ought to do was to pass on the schedules. In that difference lies the whole theory and practice. If the design of this amendment is to create a substitute for the Protective Tariff, as Great Britain adopted an income tax in 1842 as a substitute for the Protective Tariff—following her adoption by putting over 700 articles on the free list—then the Senator from Texas is right; then we should have voted upon the income-tax amendment at the beginning; and when we had determined upon that, we should then have made an estimate of the amount of revenue which it would raise, and we should have made up the difference by a customs tariff.

If, on the other hand, we are going to maintain our Protective Tariff and are going to adopt some supplemental provision to make up the balance that is needed, the deficiency of revenue coming from the application of the Protective Tariff and our internal-revenue laws, then the course which we have followed in deferring the vote upon the income tax until the schedules are voted upon, is the right course. Our duty now is to make an estimate, as well as we can, of what revenue will be produced by the schedules as we have agreed upon them, and then see what deficiency there is to be made up and determine how we shall make it up.

### ***The Bill Made Up with a Primary View to Protection.***

Mr. President, I have observed in the consideration of these schedules, no matter how strong and sincere have been the efforts of the Members of the Senate to consider first the revenue question, nevertheless, sooner or later, we have all come to a point where, about something or other, we have considered first Protection. This bill has been made up, sir, with a primary view to the Protection of the articles in the schedules. You can

not make it up on any other principle unless you abandon and entirely abandon, the doctrine of Protection; you can not determine the amount of duty to be imposed upon steel rails, upon lemons, upon iron ore, upon lumber, upon barley, upon any of these products of our country under two rules of action.

You have got to choose one and abandon the other. If you fix the duty upon steel rails, upon barley, upon lemons, upon iron ore, with reference to Protection, then you can not fix it with reference to yielding a supplemental duty after you have made up so much income from an income tax. The two principles are mutually exclusive, and the wit of man will not avail to employ them both without one taking precedence and pushing the other aside.

What is our principle? Are we ready to give up the Protective principle? I think not. There is much controversy here as to the application of the principle; there has been a degree of feeling, in which I am happy to say I do not share, as to the application of the principle to detailed facts. There has been a degree of difficulty in ascertaining the facts, which I deplore, and which has caused me much dissatisfaction, but I have not seen any considerable difference upon the proposition that this country designs to continue its Protective policy. There are little variances here and there; but the Protective policy is to be continued. If it is to be continued, you must put it foremost in your consideration of revenue.

### No Additional Duty Was Imposed in the Dingley Law for the Purpose of Trading.

*From the Congressional Record of July 3, 1909.*

BENJAMIN F. SHIVELY, of Indiana.

What I am discussing is this, if the Senator from Rhode Island pleases: I am showing what the difficulties are that will confront the President of the United States when he comes to the question of remitting these duties and putting in effect the minimum rates. I was about to point to the fact that after the act of 1897 went upon the statute books, President McKinley, at first, and afterwards President Roosevelt, did negotiate a long series of treaties. Those treaties were

sent to the Senate. They were referred to the proper committee. I am informed that the Senator from Rhode Island, and I do not know what other Senators, appeared before that committee and opposed favorable report upon those treaties. This 20 per cent ad valorem was talked about and considered to be trading capital on which to negotiate treaties with foreign countries; yet, as a matter of fact, every treaty negotiated in pursuance of the act of 1897, except that with Cuba, was relegated to the limbo of forgotten dreams by the Committee on Foreign Relations, and this on the advice and counsel of the Senator from Rhode Island.

Mr. ALDRICH. Mr. President, the only thing I was finding fault about was the Senator's statement that an additional duty of 20 per cent was imposed upon articles in the act of 1897 for the purpose of trading. That is not true. There was a provision in that act which allowed the President to negotiate treaties within certain limits, and certain treaties were negotiated, but were never acted upon by the Senate.

### *The Non-Action of the Senate Was Wise.*

I think the action or nonaction of the Senate in that particular was extremely wise, and I think if the Senator from Indiana had then been a Member of this body, he would never have voted for the confirmation or ratification of any one of them. They were practically rejected by unanimous consent.

Mr. WARREN. Observing what the Senator has said as to those who opposed those treaties, I have never discussed any one of them with the Senator from Rhode Island; I never exchanged a word with him about them, but I have always been opposed to them. Whatever little influence I had with my fellow-members has been exerted against them. I know there were a great many others who felt the same way I did, who live far away from where the Senator from Rhode Island lives, who, for reasons of their own, which may or may not be the same, opposed those treaties.

Mr. ALDRICH. Mr. President, there is no reason for any secrecy, so far as my attitude toward those treaties is concerned. I was opposed to them, not because the people of my section of the country, as the Senator suggested, had any interest in the matter. There was no article involved in the French treaty

that affected the people of Rhode Island or the people in the section of the country in which I live.

### *Detrimental to the Interests of the People.*

I opposed all those treaties because I believed that they should not be ratified, and there is no one act of my public service that has given me such satisfaction as that one act. I believe that the ratification of those treaties would have been detrimental to the interests of the people of the United States. I did not hesitate to say so then, and I do not hesitate to say so now. It is not necessary for me to go into the reasons for that, because the subject is not before the Senate nor pertinent to this inquiry.

The French treaty was only one of a series of treaties which were negotiated. Those treaties, in my judgment, sacrificed every interest of the people of the United States, and they should not and would not, in my judgment, have been ratified by any patriotic Senator.

### **Worried About the Activities of the American Protective Tariff League.**

*From the Congressional Record of July 3, 1909.*

JONATHAN P. DOLLIVER, of Iowa. I confess it is only in these later years that the extent of the task laid upon Congress in a general revision of the Tariff has dawned upon me. I confess, also, that a good many of the illusions of other years have faded away. I used to be able to get along with my own sense of ignorance by indulging the belief that there was somebody who actually understood, exactly as people sometimes treat their theological views, not on any well-defined comprehension of their own, but on their general confidence in the bishops and other clergy.

But I confess that these comfortable illusions of faith in Congress have in these later years been rudely shattered; and I believe I share with everyone who does me the honor to listen to me to-day a dim conviction, at least, that in undertaking in the course of ninety days to deal with the entire business of this market place, the Congress of the United States has taken upon itself an impossible task. The result of all this is that our work is not well done. A moral fruitage of it is that nobody has any

confidence in our work. We began this session with an exhortation from the official organ of the American Protective Tariff League to the manufacturing industries of America to lock up their shops and let the office boy run the business while they repaired here to Washington to superintend the business of revising the Tariff laws of the United States. And we end this work of Tariff revision by a second exhortation from the official organ of the American Protective Tariff League warning the great business interests of the United States not to leave Washington, saying to them: "If you have been there once, go back again." There is no stage in our proceedings in which these, who are in a special sense the beneficiaries of our labors, have any confidence in either our wisdom or our motives.

And so we have an exhortation sent out now to the entire business, summoning parties in interest, to gather here and stay here until the last line of this Tariff revision is written and the last act of the Congress of the United States is performed.

### **Clear Exposition of the Vital Need of a Maximum Tariff with Which to Prevent Unfair Treatment of Our Exports.**

*From the Congressional Record of July 3, 1909.*

NELSON W. ALDRICH, of Rhode Island. From a political standpoint, while I do not believe that it is necessary to be subservient to political platforms, the provisions of the Chicago platform upon this subject, so far as I know, met with no opposition from any quarter. But this question is much beyond the question of party platforms. It is vastly greater than the question of parties. It is vastly greater, in my judgment, than any other provision in this bill. I would rather, so far as I am concerned, looking at it from the standpoint of the interests of the people of the United States, see every other feature of the bill wiped out rather than this one.

Now, what are the conditions which have led up to this legislation, and what is attempted to be reached by it? Germany and France, and other countries, acting entirely within the legitimate sphere of their own jurisdictions, have

enacted maximum and minimum Tariffs. They have put provisions into the form of laws and regulations, sanitary or otherwise, which, in the opinion of a large part of the people of the United States engaged in productive enterprises, discriminate unfairly against the United States.

Take the question of France, which is entirely an open question and known, I assume, to every Member of the Senate. France has a maximum and minimum Tariff. The difference in the new Tariff which it is proposed to adopt is an average of 50 per cent between the maximum and minimum. France imposes her maximum Tariff upon the people of the United States, and she does not impose the provisions of her maximum Tariff upon any other commercial nation in the world, and we are powerless, unless this legislation is adopted, to prevent those discriminations.

#### *Fault Found with Impositions in the Shape of Alleged Sanitary Precaution.*

The people who are producing meats and flour and all the agricultural products of the great Middle West have been continuously finding fault about the impositions which are made in Germany in the way of sanitary regulations or otherwise with reference to the products of the United States. What did Germany do? A year ago or more she passed a general Tariff which was to go into effect, as this does, in advance, with a provision in it that unless countries agreed to reciprocity provisions with her they should pay the rates imposed by her general Tariff.

Mr. CULLOM. The highest rates?

Mr. ALDRICH. Yes; the maximum rates.

I had read from the desk this morning the provisions of legislation of 12 or 15 other countries which are imposing maximum and minimum provisions in their Tariffs, and all with the possibility of discriminating against the United States. Are we going to sit here and not give our administration some power to resist these aggressions? We might as well wipe out the Tariff entirely upon all these articles if we are going to permit other countries, by "regulations," so called, or by discriminating legislation, to exclude our products from their territory.

#### *A Needed Power in the Hands of Our Government.*

That is precisely what some of these governments have done. We merely propose to put it in the power of our administration to say to a foreign government, "You must either permit the products of the United States to enter your country upon reasonable terms, without unjust discriminations and without preferential duties, or you will pay, when you send your products to the United States, the higher rate of duty." Most of the countries to which I have alluded give to their executive officers a right to put the Tariff up or down as they see fit and to guard and protect the interests of their own people. Are we willing to leave our administration absolutely helpless in a matter of this kind?

The Senator from Indiana [Mr. Shively] talks about the increase of duties which are imposed by this bill. There is not a man who listens to me who does not know that these additional duties will never be imposed unless the President is satisfied that there is undue discrimination against us. What will happen? As to nine-tenths of the foreign countries.

#### *This Maximum Duty Will Never Go Into Effect.*

Take Great Britain, for instance. The President does not need to go into an extended examination to ascertain that Great Britain makes no unjust discriminations against us. In the case of a large majority of the countries of the world, there are no unjust discriminations imposed against us. It is a well-known fact that as to most of these countries, the President will issue such proclamations granting minimum rates as a mere matter of course. But as to the nature and the extent of the discriminations which do exist, as in the case of France, for instance, they are apparent and patent to everybody. She compels us to pay the maximum duty on every article she sees fit, with certain exceptions which she has given, as in the case of cotton-seed oil and a few other products. The administration of France can put a prohibitory duty upon cotton-seed oil, and she can put that maximum prohibitory duty into effect to-morrow if she sees fit, and we are at present absolutely helpless to prevent it.

But suppose our administration could

say to France, "That is an undue discrimination against the interests of the United States, and you ought to give us the benefit of your minimum Tariff?" The President can say on the 31st of next March, if we pass this legislation, "Unless you remove such discriminations, unless you give to the United States the benefit of your minimum Tariff, and treat us as fairly as you treat the people of other countries, I am powerless to prevent the general Tariff of the United States going into effect." The result would be, as the Senator from Illinois [Mr. Cullom], well suggests, that the President never will have to permit the general Tariff to go into effect. Negotiations would be commenced at once with Germany and France, for they, after all, are the two countries most involved in this question of discriminations. They are the countries about which the most fault is found.

#### *Not Made for the Purpose of Increasing Protective Duties.*

The Senator from Kansas [Mr. Curtis], whom I now see in his seat, presented to the Committee on Finance a long list of the discriminations against the meat products and various other products of the United States, and I hope that Senator will have put into the Record the statement which he sent to the committee, showing distinctly that, in the form of various regulations, there were existing in some of these countries glaring discriminations against the United States.

So this provision is not made for the purpose of increasing Protective duties at all, but it is made for the purpose of putting into the hands of the administration means to protect and defend the agricultural and other interests of the United States.

Of course there is no concealment here, and there is no concealment necessary as to the purpose of this legislation. It is not to raise duties; it is not a statement that we consider under ordinary circumstances the rate imposed by the maximum Tariff, or the general Tariff, or whatever you may call it, a proper rate to be imposed in the importation of merchandise. It is simply a method, and I suggest to the Senator from Georgia and to other Senators it is the only method by which we can protect ourselves against the aggressive and unjust discriminations of other countries against our products.

I want to say further in that connection that this aggressive discriminatory legislation on the part of the people of other countries has been progressive. Within the last two years legislation has been adopted and regulations have been put in force which

#### *Discriminate Purposely and Avowedly Against Our Country*

and against every country that does not enter into negotiations for the purpose of giving to the country imposing these regulations advantages through treaties or through legislation. The contest for the markets of the world was never so severe and was never carried on with such a determined purpose as is manifested by such laws and by such regulations to-day. The United States might as well retire from any attempt to sell her products abroad—her meat products, her agricultural products, and products of every kind—she might as well retire from any competition with the other countries of the world unless we are willing to put into the hands of the Executive similar powers to those which are granted freely to the government of every other country in the world to protect and safeguard their own interests. It is for that purpose and along that line, and for no other purpose and along no other line that this legislation is suggested.

Mr. BACON. Mr. President, what the Senator says is simply an argument in favor of the general maximum and minimum system, but it is not an argument in favor of the one system as against the other, because either will effect the purpose or meet the demands suggested by the argument of the Senator.

Mr. ALDRICH. Every other commercial country in the world to-day has what is in effect a dual Tariff, a Tariff the benefits of which, in the shape of lower duties, are given to that country's friends, to the people who give to it reciprocal advantages; and the higher rates are maintained for the purpose of driving people, if you please—to use what might be called a harsh term—into proper relations with them. That is the sole purpose of this legislation. If Senators think, of course, that it is better to have the provision contained in the House bill than the proposition of the Senate committee, that is a matter of difference of judgment.

Mr. BACON. Of course.

*Purely a Proposition to Force Fair Treatment.*

Mr. ALDRICH. But how any Senator can stand on this floor and refuse to give to the interests of the people of the United States the Protection which every other Government is giving to its people is beyond my comprehension.

Mr. BACON. Mr. President, the Senator and I do not differ on the general proposition that there ought to be a means by which there could be this Protection against discrimination of our industries by foreign nations, but we do differ very radically as to what is the appropriate method. The simple difference, which I endeavored to suggest, might not of itself be controlling if it were not for the already very high rate of this Tariff; but what I wish to suggest to the Senator is that when 25 per cent ad valorem is added to the rates carried in the schedules of this bill, it will be far away and beyond in height as a general Tariff law any Tariff that we have ever had since the foundation of the Government.

Mr. ALDRICH. I hope the Senator will not get away from the fact that this is purely a proposition to force the people of the world to give fair treatment to our products.

Mr. BACON. I understand that.

Mr. ALDRICH. Let us see what other countries do. I do not know whether the Senator heard the statement that I had read this morning. There is not one foreign country of importance that has not a greater difference in rates than is suggested by the proposition of the committee. Many of them, as the Senator from Utah suggests, are from 50 to 100 per cent, or even higher than that, and some of them give their executive absolute power of prohibition. Of course we can not do that, and we are not trying to do that. The 25 per cent is simply a rate fixed. I do not care whether it is 25 per cent or 50 per cent. We made it 25 because we thought that would be effective; and the question after all is, What rate will be effective?

I assume—and I think I am safe in assuming—that no one of the great commercial nations of the world can afford to pay us 25 per cent more duty than its neighbor. For instance, Germany—

*Warmly in Favor of the Senate Plan.*

Mr. ROOT. Mr. President, I wish to

suggest to the Senator from Georgia a consideration which has made me very warmly in favor of the committee's form of the maximum and minimum provision as compared with the House form. I agree with the view that some form of maximum and minimum Tariff is very important. It is important for the Protection of the cotton industry of the South, for the Protection of the beef-raising industry of the West—

Mr. BACON. The cotton-seed industry, not the cotton industry itself.

Mr. ROOT. It comes from cotton seed, does it not? The difference between the two is this: The House provision says that there shall be such and such a Tariff, and that if any country discriminates against the United States, the President may put on the maximum. The Senate committee's provision says that there shall be such a minimum and such a maximum Tariff, and that if any country does not discriminate against the United States, the President may take off the maximum.

Mr. SHIVELY. That is not what this does.

Mr. ROOT. That is the effect of it. The difference between those two provisions is the difference between proceeding by threat of injury in case of injustice, and proceeding by the offer of reward in case of justice. The Senator from Georgia knows, by reason of his long experience with our foreign affairs, that nations are much more sensitive than individual men. The national pride of every country forbids that its Government should ever yield to a threat. I apprehend that if we put our maximum and minimum provisions in the House form, so that the President is bound to say to this, that, and the other country, "You are discriminating against us, and unless you stop I will punish you," they will all be bound to say, "We can not stop upon any such intimidation as that."

*Better as a Practical Arrangement.*

On the other hand, if we here and now, dealing generally with all countries, put on by operation of law the penalty, making it the duty of the President to take it off except in the case of countries which continue to do injustice to us, he will then say: "The law, which I am bound to obey, imposes this high and perhaps prohibitory Tariff upon you, and I am powerless, except that if you cease to discriminate against this country it

will be my greatest pleasure to remove it." As a practical arrangement, the Finance Committee's provision makes it possible and practical as a matter of international business to secure a cessation of discriminatory provisions against the United States, while the House provision would make it practically impossible to secure any benefits to the United States.

*People of the Western Country Deeply Interested.*

Mr. CUMMINS. I am a thoroughgoing believer in the principle of the amendment offered by the committee. I am in favor of a maximum and a minimum Tariff. Indeed, I go one step further. If I could have my way, we would have not a dual Tariff, but a triple Tariff. I believe in a Tariff for Protection, a Tariff for retaliation, and a Tariff for concession. But inasmuch as I have no hope of securing a system of duties lower than those which are prescribed in the bill, I accept the maximum and minimum Tariff.

The people of the western country are more deeply interested in this phase of the subject than in any other of the Tariffs. Our products are excluded at the present time from France entirely, and they are rapidly being excluded from Germany; and I suppose the misfortunes we have suffered there will speedily overtake us in other countries. Therefore I want a retaliatory duty to be imposed, and I am willing that it shall be imposed by the force of the law upon these countries unless they will grant to us terms that are fair and reasonably reciprocal.

Mr. ALDRICH. The Senator from Indiana says that if we should put up the duties upon articles imported from France in this bill, we would punish the purchasers in the United States. It must be apparent to the Senator from Indiana that if we should cease to buy the manufactured articles of France, we could buy the manufactured articles of Great Britain, of Germany, of Switzerland, and of other competing nations.

Mr. SHIVELY. It must also seem apparent—

Mr. ALDRICH. And if we should have, which I hope never will occur, a Tariff war between France and the United States, France would have to buy agricultural products of the United States or of some other country that now competes with us; but we can produce in the United States or we can buy from Ger-

many or Great Britain or Switzerland all of the manufactured articles which we are now buying of France.

*A Democrat's Objection.*

Mr. SHIVELY. Mr. President, in reply to the very wise observation of the Senator from Rhode Island, permit me to say that it is equally apparent that when the additional 25 per cent duty is put up against France, the French may sell their goods, wares, and merchandise to the German, the Austrian, the Italian, and may buy their meats, breadstuffs, machinery, and other necessities from countries other than the United States. So the point made by the Senator pricks both ways. The whole scheme of your Tariff is based on the theory that you intend in part to raise revenue. There can be no revenue without importations, and there can be no importations without purchasers of them. Of course the citizen may buy elsewhere or of some one else, but you lessen the number of sellers and narrow the choice of the American citizen in his purchase to his prejudice just to that extent.

Mr. ALDRICH. I make the prediction that, if this provision becomes a law, as I hope and expect it will, we shall have no additional duties imposed upon France or upon Germany or upon any competing country for this reason: We are simply saying to those countries, "If you will treat American products fairly, we will treat French and German products fairly." I think that feeling of fairness and of reciprocal advantages growing out of trade will certainly prevent the imposition of any additional duties at any time.

*Maximum Rates Sure to Be Arrested by Proclamation.*

Mr. SHIVELY. What may be done will depend less on the law than on the Department of State. I can not be sure of haste in putting in force minimum rates in the presence of so much persistence in prescribing maximum rates. Does the Senator pretend that these maximum rates will be arrested by proclamation before they go into effect March 31, 1910?

Mr. ALDRICH. I have no question about it whatever. Negotiations will, of course, be at once entered into between the executive department and various other governments where discriminations are alleged to exist. With those countries where no discriminations exist and

there is no allegation of discrimination, the minimum rates will prevail, and where there are alleged to be discriminations, negotiations will be at once entered into, and I predict that before long, probably long before the 1st day of April next, proclamations will have been issued as to all those countries, and the whole thing will be settled.

### The Great Strength of American Building and Loan Associations.

From the Congressional Record of July 6, 1909.

CHARLES DICK, of Ohio. It was recently said in the Senate Chamber that conditions had become such that only the thing visible to the assessor was taxed these days. The building associations are the direct means of creating visible things; they only loan on real estate, and mainly for the purpose of building homes.

The number of associations in the country to-day is 5,424, with assets of over \$731,508,446 and a membership of over 1,839,119, whose savings average about \$400 each.

Pennsylvania leads in associations, having 1,400 with assets of \$146,915,600 and a membership of 374,950. Ohio follows next

with more than 600, with assets of nearly \$133,000,000 and a membership of more than 300,000.

The local building and loan associations of the United States are in excellent condition. That they manifestly enjoy a full measure of public confidence as a means of caring for small savings, and that they are a popular American institution, is amply shown by the large gains in membership and assets which they have again made during the past year. They have increased, approximately, \$58,000,000 in assets in 1907, so that they now care for \$731,500,000 of the people's savings. The members of these associations are largely wage-earners—persons with small incomes—but they have been economical and thrifty and have, in the aggregate, accumulated a vast sum which has been mainly loaned to its members for the purpose of assisting them in securing their own homes. That these associations have been doing much good and that they have been extending the sphere of their usefulness is apparent from the figures.

The great strength of the building associations is in their purely mutual and co-operative character, their simplicity of management, and in the prudence and care with which their affairs are administered. They have been an important aid in promoting industry, frugality, home

#### 1907-1908.

States.	Number of associations.	Total membership.	Total assets.	Increase in assets.	Increase in membership.
Pennsylvania	1,400	374,950	\$146,915,600	\$9,274,998	28,575
Ohio	644	321,780	132,714,147	11,619,930	10,945
New Jersey	415	143,886	67,802,407	5,814,215	12,668
Illinois	502	100,680	50,074,144	4,051,762	7,055
Massachusetts	135	114,705	47,220,074	4,662,499	10,223
New York	240	107,450	37,633,163	2,378,373	2,018
Indiana	334	117,974	34,040,117	1,838,864	20,446
California	110	33,565	19,522,896	293,958	*2,615
Michigan	55	39,958	14,157,529	1,125,847	4,000
Nebraska	66	39,898	11,422,890	2,461,102	8,109
Louisiana	50	25,437	10,328,307	1,323,347	2,057
Missouri	118	20,625	8,839,903	652,958	1,525
North Carolina	81	21,469	5,355,536	1,009,294	4,564
Kansas	48	16,343	5,118,842	555,914	1,810
Iowa†	56	15,950	4,577,214	.....	.....
Wisconsin	52	12,200	4,490,486	319,009	1,005
West Virginia	39	10,495	3,834,544	434,094	1,195
Maine	35	9,345	3,676,453	241,727	379
Tennessee	15	4,658	2,590,204	660,706	1,738
New Hampshire	16	7,110	1,915,187	78,853	1,635
Connecticut	13	2,731	1,804,857	199,145	*600
Minnesota†	18	3,085	1,433,990	.....	.....
North Dakota	7	2,200	1,286,681	295,378	500
Other States	975	292,625	114,753,275	9,087,275	22,175
Total	5,424	1,839,119	\$731,508,446	\$58,379,248	139,405

\*Decrease.

†Figures for 1907 not being available, data for 1906 are used.



building and home owning, and saving, and have added much to the material prosperity of our people. Those who have watched their growth have been gratified over the financial strength which they have developed in recent years, and which, it is believed, augurs much for them in the future.

The preceding statistical table shows by States the number of associations, total membership, and total assets for such States as have a building and loan department which compile statistics. The data for all other States are given consolidated under the heading "Other States" and the figures are estimated.

### Under Protection Prices of Plate Glass Have Been Reduced Seventy-five Per Cent.

*From the Congressional Record of July 8, 1909.*

GEORGE T. OLIVER, of Pennsylvania.

Mr. President, I am aware that the Senators are very tired, and that they do not desire to listen to any lengthy discussion upon this or any other subject. But I regard this one as of vital importance to a very important industry, not only in our State, but all through the Middle West; and I think the Senate ought to have some little information upon it.

In 1875, before the establishment of the plate-glass industry in the United States, the smaller sizes of plate glass sold at 71 cents per square foot. They are now selling at 18¼ cents per square foot. The larger sizes then sold at \$1.69 per square foot. They are now selling at 43 cents per square foot. All this has been brought about through the enterprise of the American plate-glass manufacturers under the liberal encouragement given by the Protective Tariff.

It may be asked, "Why is it necessary to give even this slight increase at this time?" I will explain that in a very few words.

When the industry was established in this country, the demand for plate glass was confined almost entirely to the very large sizes. The smaller sizes were supplied through breakage and the cutting out of flaws that were found in the larger plates. Of late years the demand has entirely changed, and the time will soon come when the demand for the smaller sizes will be greater than that for the

large ones. As the duty on the small sizes is confessedly much less, and, in fact, so low that they are sold for less than actual cost, the manufacturers find it absolutely necessary, in order to sustain themselves in business, that they shall be allowed this small advance in the duties upon the smaller sizes.

### When Free-Trade Stops Domestic Production, Prices Always Go Up.

*From the Congressional Record of July 8, 1909.*

WESLEY L. JONES, of Washington. Mr. President, I desire to say that while arsenic is on the free list and has been for some time, it seems to me that the conditions in this country will warrant placing it on the dutiable list from a Protective standpoint.

I will not take the time of the Senate except merely to mention that in the Geological Survey report it is stated that there is enough arsenic going out through the fumes of the smokestacks of the smelters in Butte, Mont., to supply the entire market in this country. We have a good many mines in different parts of the country that have worked intermittently from time to time, but on account of the reduced price they have had to stop. In the State of Washington we have a smelter that runs once in a while, but it has not been running for the last two or three years. Four or five years ago it produced three or four hundred tons of arsenic. As a result, the price went down. The imports into the country range about 10,000,000 pounds, and the production is only about 1,700 tons, running as high as 3,300 tons.

There is some objection to this because, it is contended, it is likely to raise the price. I wish to call the attention of the Senate to the range of prices under Free-Trade. In 1901 the price in New York was 3½ to 4½ cents a pound; in 1902 it was from nearly 3 cents to 3 1-3 cents; in 1903 it was 3 to 3¾ cents; in 1906 it was 4 3-10 cents; in 1907 it was from 5 to 8 cents a pound.

The records show that when we have produced arsenic by mining it in this country and have refined it, the price has come down; but when they stopped doing it, then the price has gone up. So, in my judgment, if we can place on

the small duty that will encourage the development of the resources in the product actually going to waste in this country, instead of raising the price, we will have a stable price and one less than the foreigner gets when our smelters are closed. He puts the price down for a time, but as soon as the smelter closes he puts the price up, and instead of our people getting arsenic cheaper they have to pay more for it.

### **If Protection Were Removed, Farmers Would Have No Market for Their Sugar Beets.**

*From the Congressional Record of July 8, 1909.*

REED SMOOT, of Utah. For years we have been building up a home sugar industry, which makes sugar instead of merely refining an imported raw material. The duty on the raw product protects our farmers, who are producers of the raw material, while the duty on the finished product protects the beet-sugar manufacturers, and incidentally the seaboard refiners. With a duty on the finished product and no duty on the raw product, the latter would be furnished by tropical and European planters, whose labor is cheap, instead of by American farmers, whose labor is dear. On the other hand, unless we afford a full measure of protection to the finished product—be it refined sugar or washed unrefined sugar for direct consumption—of our beet-sugar factories, they will cease to operate, and the farmers will have no market for their beets.

All beet-sugar producers are refiners, making a finished product for the market. Their protection lies in keeping out all semirefined or bleached sugars testing above No. 16 Dutch standard which can go into direct consumption, and unless these sugars pay the full duty of \$1.90 it will give their foreign competitors an advantage over them not intended by Congress.

### **The Broom and Brush Making Industries Should Not Be Exposed to Oriental Competition.**

*From the Congressional Record of July 8, 1909.*

CHARLES DICK, of Ohio, In the

present law and in this bill brooms of the coarsest construction and toilet brushes of the finest make are dutiable at the same rate. That is not the only incongruity. Although the production of brooms in this country aggregates eleven millions annually, the importations are about \$2,000 worth; while of toilet brushes the importations now exceed a million and a half dollars, and the increase goes on with each recurring month.

In the amendment which I have sent to the desk we do not disturb the rates on paint brushes and brushes of that character. The importations in that line are immaterial, and therefore there is no reason for disturbing them. The rate on brooms is cut from 40 to 25 per cent, which can not injure the industry, since there are no importations.

But the brush industry is one the ramifications of which extend into every State in the Union. There is no trust, no combination, but the most persistent competition. Every feature of brush making—the handle, the bristle, the wire, the boxing; every feature—is taxed or has a tariff levied against it.

In the present bill, I think with a single exception, there are no reductions in any of these parts, as they might be called, or elements in brush making, and there has been a distinct advance on the fiber, which is being used in lieu of bristles.

### ***Our Greatest Competitor Is the Japanese Brush Maker.***

The greatest competitor, or the one to be most feared, is the Japanese brush maker. Importations have grown from \$660 worth in 1890 until they now reach a half million dollars; and the brush industry, without some help, is in serious danger.

The request for an increase of only 10 per cent, it seems to me, ought to be conceded to an industry which is so important and which ought to be entirely with our own people.

I know there has been a very general objection on the part of importers, but the brush industry is here asking, not for generous treatment, but for enough to save it from destruction by the foreign producer, and especially the Oriental.

The domestic manufactures of brooms and brushes amount to \$21,100,000 annually. The amendment proposed, I re-

peat, is primarily for the segregation of brooms from brushes, and thereby to supply separate brush and broom schedules. The object is to separate articles having no relation in common, for by reason of the single schedule of the past, misleading and erroneous statistics as to domestic manufacture and imports, have had a controlling influence. This works great injury to the toilet-brush manufacturers. It is not regarded proper in making schedules to include dissimilar articles in a single paragraph, as, for instance, hats and also shoes; and, so long as toilet brushes and broom-corn brooms are in one paragraph, the incongruity is fully apparent.

The raising of broom corn is an important industry. It grows as does hay or fodder in the field. Brushes are the product largely of the bristle of the domestic pig, and of the wild hog of the countries of Siberia, India, China, France, and Germany; and the woods used are the timbers of the United States, South Africa, South America, and Mexico.

#### *What Greater Protection Is Needed?*

The importers are protesting against the proposed amendment. They use the improperly associated brush and broom statistics as showing comparison of the imports of brushes, and that includes all kinds, for 1908, \$1,681,640, as being 10 per cent of the domestic product of the brush manufacturers, but in reality it is the output of the broom factories, \$11,000,000, plus every variety of brushes produced, \$10,000,000. No more misleading or unfair statement could be made to the United States Senate, nor could greater unfairness be exhibited toward the toilet-brush manufacturers, for, under the adverse Tariff conditions, they only produce in this country \$3,500,000 in toilet brushes annually out of gross brush production of every variety of \$10,000,000.

If it is the intention of the Tariff-making power to reconstruct the Tariff along lines that will exclude unnatural foreign labor competition, commensurate with, but not beyond, what will secure work for our skilled laborer at living wage scales, that will let him enjoy his ambitions, have home and property, instead of looking forward to possible trade extinction, this status must be maintained in contradistinction to the Mongolian laborer, who may be satisfied

to live on rice and fish and to wear the poorest garb. In the organized movement of the Orientals for commercial supremacy over the Caucasian countries their success is already notably evidenced in the statistical showing of brush imports here, given out by the Bureau of Statistics. They are mostly toilet brushes.

### **Rejection of an Amendment Providing for Tariff Reduction in the Guise of Reciprocity.**

*From the Congressional Record of July 8, 1909.*

ROBERT M. LAFOLLETTE, of Wisconsin. The object of this amendment is to enable the President to obtain special concessions on American products in foreign countries on which no minimum rates are provided in the existing Tariffs of foreign countries, or on which the minimum rates of those countries are not sufficiently low.

This amendment authorizes the President to reduce existing rates to an extent not exceeding 20 per cent of these rates. It revives, as Members of the Senate will remember, the provisions of section 4 of the Dingley act for all those articles on which rates have not been reduced to the extent of 20 per cent in the bill now under consideration. It therefore calls for no greater reduction of duty than Congress authorized twelve years ago in enacting the Dingley law. On the other hand, it will give the President the means to obtain special reductions in favor of American products which he will otherwise be unable to obtain.

If this amendment is embodied into the law, Tariff wars with some of the countries, which are now extremely probable, will become impossible. On the other hand, it would not only secure to the products of America all existing minimum Tariffs, but would enable the President to secure further reductions on special American products which are not adequately treated in the Tariffs of foreign countries.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was rejected.

### Views of the Majority Must Control in Matters of Party Policy and Legislation.

*From the Congressional Record of July 8, 1909.*

NELSON W. ALDRICH, of Rhode Island. Mr. President, I have been in the public service long enough to have seen several occasions when individual Members of this body, or individuals outside of the body, have thought that they were wiser than their party associates, and that their views should control the action of the party, notwithstanding the vote of majorities. I have seen men in this Senate change from one side of this aisle to the other. I remember in a party convention when men who had stood high in the party councils left it because they thought at the moment that their views upon public questions were the views of a party and not of individuals. I say to the Senator from Indiana and to his friends that the Republican party is a party of majorities, and the views of the majority in matters of legislation control party policies and control governmental policies.

The Senator from Indiana does not speak for the Republican party. He has no right to call here the name of the President of the United States in support of any of the suggestions he has made. Those of us who are here representing States and voting as a majority in this Chamber, represent the Republican party, and not individual Senators, whatever may be their standing or whatever may have been their service to the party.

Mr. President, the bill which will be voted upon in this Senate in a few moments is a revision, which carries out to its letter every pledge of the Republican party. If Senators shall see fit to vote against it on account of their individual views, that is a matter for them to determine; but I suggest to those Senators that they can not attempt to speak for the party without a protest from the men who represent States here, as I have said before, that have elected, and can and will elect Republican Presidents, whatever may be the attitude of individuals, either in this body or elsewhere.

### "It Takes More Than the State of Rhode Island to Read the State of Minnesota Out of the Republican Party."

*From the Congressional Record of July 8, 1909.*

MOSES E. CLAPP, of Minnesota. The Senator from Rhode Island says the Senator from Indiana has no right to refer to the President in this discussion. For the last three or four days it has been bruited around here and drummed into our ears that we must do this and that in the name and at the behest of the President.

And the Senator from Indiana was well warranted in referring to the fact that we had sought, during these last few months, to follow the pledges that were emphasized and crystallized as the party promises in the utterances of the President.

The Senator from Rhode Island has referred to the historic past, wherein men were divided from their party, and in the end found themselves disappointed in popular support. That was upon a mere question of whether we should use one metal or the other for our currency. And notwithstanding their disappointment, I should be satisfied to leave no grander legacy to my family than the fame and the honor of the men who walked out of the St. Louis convention, and the fame and the honor they have earned in the estimation of the American people since that historic event. I do not mean to imply by any means that there is a parallel between this case and that.

In this fight there is a broader and deeper question than the mere question of dollars and cents.

In the history of this country there came a time when the people believed there was a question involving excessive rates of duty that went to the very spirit of our institutions. It may be that a reaction will come. It may be that we who have stood on the skirmish lines will fall in the struggle; but I want to say that there are others to take our places; for this is not a mere question of the basis of a metallic currency, but a question that goes to the very foundation of competition and individuality in the processes of American industrial life.

I rose only to say that at the proper time I shall reply more in detail. I

merely wish to say now, that my silence may not be misconstrued, that the criticism of the Senator from Rhode Island neither has stung to silence nor entombed at least one Senator.

Mr. NELSON. Mr. President, the hour is late and I simply wish to say on this occasion that it takes more than the State of Rhode Island and the Senator from Rhode Island to read the State of Minnesota out of the Republican party. And when Senators get up and talk in such an arrogant and overbearing manner and attempt to lecture us who have views of our own on the Tariff question, I submit it does not come with good grace. I will say to the Senator from Rhode Island that when that little State shall have perished from the face of the earth, the State of Minnesota, with its 5,000,000 people and its 150,000 Republican votes, will be found uppermost in the column of the Republican party, and the Senator from Rhode Island can not read that State out of the party.

### No Law of Good Morals or of Nations Which Requires Us to Sacrifice Our Industries to the Filipinos.

*From the Congressional Record of July 9, 1909.*

MURPHY J. FOSTER, of Louisiana. I know that the President of the United States favors this provision of the bill, and that he earnestly desires its passage. I know he does not believe that the importation of the amount of sugar and tobacco provided for, free of duty, will in any manner affect injuriously those industries in this country, while, on the other hand, it will prove of immense benefit to the people of the Philippines.

I wish that I could agree with him, for I have the highest respect for his judgment and the greatest confidence and faith in his wisdom and patriotism. My opposition to, and convictions against, such legislation, however, are so deep and fixed that I feel it due to myself to protest against the adoption of such a policy by this Congress.

I am opposed to this paragraph for many reasons. In the first place, I am opposed to a policy on the part of this Government which will admit to the American markets any products of the Philippines, whether manufactured or agricultural, free of duty, when such

products come in competition with similar products raised in this country, mainly on the ground that the American laborer, manufacturer, and farmer can not successfully compete with the cheap labor of the Orient.

In the second place, I am opposed to such a policy, because if we admit annually 300,000 tons of sugar, 300,000 pounds of wrapper tobacco, 2,000,000 pounds of filler tobacco, and 70,000,000 cigars, such legislation must logically culminate in the admission of all the sugar and tobacco raised in those islands free of duty.

Most Senators are familiar with the case of Cuba. You will recall the tearful stories of distress;

### *The Humbug About the Moral Obligations of This Country;*

the glittering promises of trade; all of which was to be our own, in return for concessions to Cuban sugar. In response to those appeals the Cuban reciprocity treaty was entered into by the Fifty-seventh Congress, by which a reduction of 20 per cent was allowed on the importations from that island.

The trade monopoly that was to have been ours has proven a veritable will-o'-the-wisp. We have received no benefits other than would have come in the natural course of expanding trade, while, on the other hand, we have poured a golden stream into that island year after year without receiving any adequate benefits from the concessions we have made. The production of sugar has increased from 975,000 tons in 1893 to 1,449,316 tons in 1907, all of which has been exported to this country.

Why should we enter upon such a policy? We have already given the Filipino free markets in this country for all his noncompetitive products and have reduced the Tariff 25 per cent on his sugar and tobacco.

It is true we have conquered these people; that we have taken possession of their territory, and national honor and national justice demand that we should treat them fairly and justly.

But our first duty is to our own country and our own people, and there is no law of good morals or of nations which requires us to sacrifice our industries or our people to them.

Mr. President, we can not raise sugar in this country, beet or cane, in compe-

tion with the cheap labor of the Tropics. It is no use to disguise this fact. The Philippines to-day, with proper cultivation, can ship their sugar into this market and pay the Tariff and undersell the American producer; and I predict that with the encouragement of Free-Trade this sugar in less than a decade will destroy the immense beet and cane interests of this country.

### **A Southern Republican Who Voted Against the House Bill Because It Was Not Sufficiently Protective.**

*From the Congressional Record of July 12, 1909.*

RICHARD W. AUSTIN, of Tennessee. Mr. Speaker, to-day the House will take action on the Tariff bill by disagreeing to the Senate amendments and send the measure to a joint conference committee.

I regret that I will not have an opportunity to record my vote in favor of the Senate amendments wherein the rates were increased, especially upon the items of lumber, scrap iron, coal, and iron ore.

While approving the increases mentioned, I would gladly go on record against certain reductions that body made in a number of the schedules of the Payne bill in which the people of east Tennessee and the South are interested.

The truth compels me to make the public acknowledgment that the Aldrich bill is a great improvement upon the bill passed by the House on April 9, and I entertain the hope that the result of the labors of the joint conference committee and the final action of Congress on the subject will confirm this opinion.

The American people are not only indebted to Senator Aldrich and those Republican Members of the Senate who stood loyally by him, but the people of the South are under a lasting debt to Senators Elkins and Scott, of West Virginia; Bradley, of Kentucky, and to the Democratic Senators who joined them in voting for the Protection and continued development of the inexhaustible resources of their section.

I stood on this side and cast the only Republican vote against the passage of the Payne bill, and up to this good hour have not received an adverse criticism from a voter in the district I have the honor to represent. In fact, no act of

mine since entering upon my duties as a Member of Congress has been more heartily approved by my constituents than the vote I cast against that bill.

### **A Protective Tariff Tax Is Not Only Equitable, but Has Always Brought Prosperity to the American People.**

*From the Congressional Record of July 12, 1909.*

JAMES M. MILLER, of Kansas. We are called upon now to pass upon the question whether or not we are willing to place a tax upon corporations. During this discussion there has been a good bit of talk, especially among our friends on the other side of the aisle, about a tax upon wealth and not a tax upon want or upon poverty. I have never heard of anybody anywhere, either in this Hall or elsewhere, advocating any tax either upon poverty or upon want, and I imagine that the man who would advocate a tax upon either poverty or want would eventually find himself in the insane asylum, where he belongs. It may be all right for political purposes and to seek to make political capital to try to make the poor people of this country believe that some political party is wanting to rob them.

There is no political party that is foolish enough to attempt to rob the poor, and there is no political party in this country that has any desire to put any tax of any kind upon any portion of our people greater than their ability to bear the burden; but the Republican party has always favored an equitable system of taxation, and it is the belief of this party that all classes of our people ought to bear their just proportion of the burdens of government, and, whether they be rich or poor, that they ought to be called upon alike to bear those burdens.

#### **Most Equitable of All Taxes.**

Mr. SULZER. Does the gentleman think a Protective-Tariff tax is an equitable tax?

Mr. MILLER, of Kansas. I think that a Protective-Tariff tax properly levied is not only equitable, but that it is a tax that has always brought prosperity to the American people.

It has always given employment to the labor of this country, and under this

system for the past twelve years our people have enjoyed the most marvelous prosperity the world has ever seen. I am surprised that the gentleman from New York comes here and complains about legislation that has given to the people of that great State the wealth it has within the last twelve years.

Mr. SULZER. Does the gentleman claim that there ever was a line written in any Protective-Tariff law or tax bill adopted by the Republican party that benefited the laboring man?

Mr. MILLER, of Kansas. I say that every line ever written in any Republican platform and enacted into law upon the subject of Protection has brought wealth to the American people and has given employment to the laboring men of this country, and that it has made the poor man rich and not the rich man poor, as advocated by some gentlemen on that side.

#### *Bankers Brought on the Panic.*

Mr. JAMES. The gentleman says that the Protective policy of the Republican party has brought great wealth to the country and benefited the laboring men. I would like to ask him what brought on the panic and threw 3,000,000 men out of employment?

Mr. MILLER, of Kansas. Some bankers of this country brought on a financial panic. It was not the fact that laboring men were out of employment. I remember the language used by Mr. Gompers in the campaign during the time when the Democratic party was in power, when he said that more than two and a half million laboring men of this country were out of employment, and that their wives and children were begging for bread. And I remember shortly after that time, when the Republican party enacted the law of 1897, when nobody was out of employment and nobody begging for bread.

Mr. BYRD. I want to ask the gentleman this question: If the Republican policies of this country during the last forty years have been so beneficial, why is it that the Republican party wants to steal all the good things out of the Democratic platform and enact them into law? [Laughter.]

Mr. MILLER, of Kansas. Mr. Speaker, it is not necessary for me to discuss the reasons why the Republican party wants to enact certain kinds of legislation. This great party never asks the Demo-

cratic party when or how it shall legislate; in all the years of its history it

#### *Has Responded to the Wishes of the People.*

And now, as in the past, it is about to write upon the statutes another wise and beneficent act of legislation; and this in response to the wishes of the American people and in accord with the promise made in the last national Republican convention. And when this act is consummated, as it will be in a very few days, the Tariff will have been revised downward, the pledges of the party sacredly kept, and the American people will enter upon a new era of prosperity.

Mr. RUCKER, of Missouri. Will the gentleman yield?

Mr. MILLER, of Kansas. Well, I will yield to the gentleman from Missouri; he is always fair.

Mr. RUCKER, of Missouri. I understand that gentleman to say that the last forty years, with the exception of four years, under Republican rule, they have benefited all the people, and especially the laboring men. I would like to ask the gentleman to explain, if his conclusions are correct, why it is that today there is a larger percentage of American people who own no homes than ever before in the world?

Mr. MILLER, of Kansas. Mr. Speaker, I simply say the gentleman from Missouri is mistaken.

And on the contrary I aver that there are more laboring men in America today who own their homes than at any other period in the history of the Republic, and that there are more homes owned by the laboring people of America to-day than are owned by all the laborers of the rest of the world.

#### **If It Is a Gold Brick, Who Manufactured the Brick?**

*From the Congressional Record of July 12, 1909.*

RALPH D. COLE, of Ohio. Mr. Speaker, here is the section on the income tax in the Democratic platform:

We favor an income tax as part of our revenue system, and we urge the submission of a constitutional amendment, specifically authorizing Congress to levy and collect a tax upon individual and corporate incomes, to the end that wealth may bear its proportionate share of the burdens of the Federal Government.

Now, Mr. Speaker, the gentleman from Arkansas contends that the Republican party is supporting this proposition at this time because it merely means postponement. What did the Democratic party mean when it inserted that plank in their platform? If that is a gold brick that the House of Representatives is handing out to the American public, who manufactured the gold brick? It had its origin in the Democratic platform at Denver, and was not constructed and foisted upon the country by the Republican party. So you can not charge the Republican party with being guilty of attempting to postpone the coming of an income tax in that way. That proposition is charged up against the Democratic platform at Denver.

### The Development and Success of American Industries Have Fully Justified the Protective Systems.

*From the Congressional Record of July 15, 1909.*

JAMES H. DAVIDSON, of Wisconsin. What, then, is our duty? It is to fairly and honestly keep that pledge made to the people. It is to revise the Tariff along the lines laid down by the Republican platform. It is not to so legislate as to drive out of existence any industry honestly conducted and giving employment to American wage-earners, but it is to so fix the duties that while affording revenue sufficient for the needs of the Government honestly administered, they will give that Protection, and that Protection only, which measures the difference in cost of production, together with a reasonable profit on the capital invested.

The rate of duty should be such as will afford the American manufacturer a home market for his products, after paying to his employees the highest possible compensation for their labor, and to himself a reasonable profit on the money actually invested in the enterprise. His profit should not be an unreasonable one. It should not be made on watered stock or over-capitalized or over-valued plants. I have no sympathy with that demand for such high duties as will enable manufacturers to accumulate millions, while their employees are only compensated sufficiently to barely keep body and soul together.

Those who desire to enjoy the benefits

of the policy of Protection ought to be patriotic enough and manly enough to share equitably with their employees the benefits of that policy.

The producer of a Protected product has no cause for complaint against the application of a reasonable duty to Protect the product produced by another.

Being a producer as well as a consumer he enjoys a benefit from this policy.

The producers have been generously cared for by the Protective system. The consumers, those who have only labor to sell, ought now to be recognized.

The development and success of American industries have fully justified the Protective system. So long as there is a necessity, within reasonable limits, to impose duties in order that an industry may prosper, the people will not complain, but when Protection affords extravagant profits to the beneficiaries and compels self-denial and even want among millions of citizens, the system becomes an abuse.

My desk has been covered with petitions asking that sugar be placed on the free list. Sugar is a necessity, and I would like to have it furnished to the consumer at the lowest possible cost.

On the other hand, we know the sugar industry is capable of extensive development in this country, that there are large areas capable of producing sugar beets, and that unless stimulated by a Protective Tariff the sugar industry can not be developed.

The duty on sugar returns annually about \$60,000,000 of revenue to the Treasury. If sugar is to be placed on the free list, some other source must be found from which to derive this revenue.

### The Promise Was to Revise the Tariff on Protective Lines.

*From the Congressional Record of July 15, 1909.*

HALVOR STEENERSON, of Minnesota. A great deal has been said about revision downward, and whether our party promised such a revision. In view of what I have said, I submit there can be no occasion for that dispute. The promise was to revise the Tariff on Protective lines and to adopt as the measure of that Protection the rule above indicated. Whether such a revision shall be up or down depends upon what the present



duties are and whether they in any given case exceed this measure.

It seems pretty well established by the facts before us that in most instances the application of this rule of revision will result in revision downward, although in some instances the reverse. This bill, as it left the House, was in the vast majority of the items in the schedules a revision downward.

**"If Protection Is Right and the Best Policy, Then We Democrats Have Been Radically Wrong."**

*From the Congressional Record of July 15, 1909.*

THETUS W. SIMS, of Tennessee. It is well to remember that during the coal strike a few years ago even the high-Protectionist Republicans and our "anti-free raw-material Democrats" all joined in voting to suspend the Tariff on coal for a period of one or two years, and not a Democrat in the House voted against free coal at that time.

But to cap the climax, the Finance Committee in the Senate reported the duty on pineapples at the present Dingley rate, which is a Protective rate, and so intended when put on in the Dingley bill.

But some of our Democratic Senators were not satisfied to let this Republican duty remain, so a Democratic member of the Finance Committee moved an amendment in the Senate to increase the Dingley rate on pineapples 128½ per cent, which was carried by a vote of 34 to 30. Nine of the 34 votes to increase this rate were Democrats, while 8 Democrats only voted against the increase.

Does this look like our "antifree-raw-material Democrats" are suffering much on account of the Republicans falling to revise the Tariff downward?

Mr. Speaker, if Protection is robbery, as we Democrats have often charged—if it is unconstitutional and immoral—how can a Democrat so believing vote for and support Tariff rates that are intended to affect favorably the value of some product or products of his State or district, even if incidentally some revenue is received by the Government, while favored industries collect by way of increased profits from the unwilling but helpless consumer five, ten, or even twenty times as much money as is paid into the Treasury?

If Protection is right, is the best policy for the whole country, is constitutional, then we Democrats have been radically wrong all the years of our existence.

**A Democrat Repudiates the Democratic Doctrine of Free Raw Materials.**

*From the Congressional Record of July 15, 1909.*

CARTER GLASS, of Virginia. I deny that "free raw materials" was "a characteristic feature" of the Walker Tariff act. I assert that no feature of the Walker bill so much as squinted at the discriminating dogma of "free raw materials." I have here at this moment the Walker Tariff act as approved July 30, 1846, and likewise the report which accompanied the bill, dated December 3, 1845. The bill does not embody, and the report directly argues against, the doctrine of "free raw materials."

We were not dealing with a theory. We were confronted with the plain certainty of Tariff legislation by the Republican party in Congress on strictly Protection lines; and, this being the case, I did not consider it my duty to join with a score of Canadian-border and Middle West Republicans to put certain products of Virginia and the South on the free list for the peculiar advantage of their constituents, only to see these same Republicans, a moment later, unite again with the rest of their party and tax the people of my State and section beyond endurance on the products of the North and Middle West.

To the extent that the House of Representatives was permitted by the Republican rule to participate in the work of making a Tariff law, I voted my best judgment and my clearest conception of sound Democratic doctrine. Knowing as everybody did know, that it must be a Protective-Tariff law, I unhesitatingly declined to yield every advantage that my State and section have under the revenue features of the existing law while every product of northern mills and factories was being highly Protected,

### The Consumer Would Get No Benefit from a Reduction of the Duty on Salt.

*From the Congressional Record of July 15, 1909.*

MICHAEL E. DRISCOLL, of New York. Syracuse salt is used very largely in the manufacture of ice cream and by trolley companies in the movement of their cars. Ice cream would not be reduced in price on account of this reduction of the Tariff on salt, nor would railroad fares; nor would the public generally get any benefit out of it. And in fact neither railroad companies nor ice cream manufacturers, nor any other class of people who are using this grade of salt, are making any complaint because it is too high or demanding any reduction of the import duty.

Why should an attempt be made to paralyze this industry which is struggling hard for existence and practicing the strictest economy and conservatism in order to continue in business? The ultimate consumer is not demanding it, for salt is so abundant and cheap that no complaint is justified. Those people who think the duty should be reduced or removed from trust-made goods are not demanding it, for it is not claimed that the salt manufacturers of this country are in a trust or combination to corner the market and raise the price of their product. Advocates of free raw materials are not demanding it, for salt as it goes into the market is a finished article. If all our Protected interests were as fairly disposed toward their employees and the public as are the salt manufacturers, and willing to receive as small compensation for their own services and as reasonable profits on their investments, there would be no demand for a revision of the Dingley schedules. And it is not the intention of the people who have been clamoring for this revision to destroy or curtail any legitimate industry, especially one which is producing a necessary article at a reasonable price and satisfied with very small profits. This applies to the salt manufacturers. They have provoked no opposition, for they have not become rich at the expense of their fellows. They are modest and unassuming, willing to pay good wages and make small returns on their business investment, and should not be disturbed to no purpose.

### President Taft Had No Leaning Toward Democratic Tariff Policies.

*From the Congressional Record of July 16, 1909.*

J. WARREN KEIFER, of Ohio. I shall first take up the question of the Republican pledge for Tariff revision.

The Republican national platform was adopted in June, 1908, at Chicago, and it was, in essential parts, bottomed on the Ohio State Republican platform adopted in March, 1908.

It expressed the will and wishes of the great Republican party that had created the system of Protection, and which, in above ten years' time under the present Tariff laws, had proved practically its efficacy and potency in building up home industries and in creating a wealth not dreamed of in earlier times; and had also maintained a scale of wages for the skilled and unskilled laborers not attained or attainable in any other country since the dawn of civilization, while at the same time the system had so operated that every article manufactured under Protection in the United States had come to be produced and sold to the consumer, notwithstanding the high scale of wages paid, at far less than it had sold for prior to its Protection when produced by the cheap labor of foreign countries. This cheapening of price to consumers of manufactures came when the lands of the farmer and the wages of the laborer went up and continued to be comparatively high, often double and treble that paid for the same kind of labor in all the old producing and manufacturing countries of Europe and Asia. And the American farmer now pays, in general, more than 50 per cent less for his implements of superior quality than when his products and lands were comparatively cheap.

The 1908 Republican Tariff plank is probably more specific than any which preceded it in declaring for customs duties high enough to "equal the difference between the cost of production at home and abroad, together with a reasonable profit for American industries," and in expressing a policy "to preserve, without excessive duties, that security against foreign competition to which American manufacturers, farmers, and producers are entitled," and "also to maintain the high standard of living of the wage-earners of this country," and

in declaring them "the most direct beneficiaries of the Protective system."

President Taft, in his acceptance speech (Cincinnati, July 28, 1908), in the most comprehensive manner, not only indorsed his party's Tariff plank of 1908, but also the Tariff policy of his party of former years; and, as though fearing he might be misunderstood in so doing, and seemingly to remove all doubt as to what Tariff policy he favored, he, in that speech, reiterated and somewhat enlarged upon the Tariff plank on which he had but recently been nominated. I quote a pertinent part of his speech:

The Republican doctrine of Protection, as definitely announced by the Republican convention of this year and by previous conventions, is that a Tariff shall be imposed on all imported products, whether of the factory, farm, or mine, sufficiently great to equal the difference between the cost of production abroad and at home, and that this difference should, of course, include the difference between the higher wages paid in this country and the wages paid abroad, and embrace a reasonable profit to the American producer. A system of Protection thus adopted and put in force has led to the establishment of a rate of wages here that has greatly enhanced the standard of living of the laboring man. It is the policy of the Republican party permanently to continue that standard of living. In 1897 the Dingley Tariff bill was passed, under which we have had, as already said, a period of enormous prosperity.

He lauded, as you see, specially the Dingley Tariff act of 1897 as having produced "a period of enormous prosperity." This does not indicate a desire to strike down that act and adopt in its stead a policy that would reinaugurate the period of "unparalleled distress" occasioned by the Free-Trade Democratic Tariff of 1894 and the prior promise made to adopt it.

In order that there might be no possible chance of misunderstanding his view on the Protective policy of the Republican party, in the same speech he said the Democratic party "has not had the courage of its previous convictions on the subject of the Tariff," and he called attention to its having in 1904 denounced a Tariff "as a system of robbery," and that it still declares its intention to so change the Tariff as "to depart from the Protective system;" and he then followed this by saying that the introduction of the Democratic party into power, with its avowed purpose as to the Tariff, would halt the recovery from our recent financial depression and

produce a business disaster of incomparable proportions. I am tempted to read the exact language President Taft used in his speech when referring to the Democratic Tariff policy. Here it is:

The Democratic party in its platform has not had the courage of its previous convictions on the subject of the Tariff, denounced by it in 1904 as a system of robbery of the many for the benefit of the few; but it does declare its intention to change the Tariff with a view to reaching a revenue basis, and thus to depart from the Protective system. The introduction into power of a party with this avowed purpose can not but halt the gradual recovery from our recent financial depression and produce business disaster compared with which our recent panic and depression will seem small indeed.

His language conclusively shows that he had no leaning toward Democratic Tariff policies or toward a revision of the present Tariff law that would in any way endanger the Protective system.

Campaign and other speeches of President Taft might be quoted, if necessary, showing he stood by the Republican policy of Protection.

### *The People Rejected the Democratic Platform.*

The Republican party has long adhered to a Protective policy. Its platform requires that this policy shall be maintained. The only room for dispute among Republicans is over details.

The people, notwithstanding a solid South, rejected the express declaration of the Bryan-Democratic-Denver platform (1908) that—

We favor immediate revision of the Tariff by the reduction of import duties.

This declaration was supplemented by Mr. Bryan's speech of acceptance and by Democratic orators all over the land, in which Tariff revision, downward only, was advocated, and the people were told the Republican party did not promise such revision.

The people of this country were generally, in the last national campaign imbued with the dangerous business history of the Democratic party, and particularly were they afraid of and dissatisfied with Mr. Bryan, its standard bearer. They would not trust him, with all his dead issues still clinging to him and with his unripe and impractical and dangerous policies, to which he continued to adhere and to force his party to indorse, among the worst of which was his Free-Trade notions.

The great, hitherto Democratic, city of New York, with its supposed 100,000 Democratic majority, though its people and their capital were largely engaged in the import trade, repudiated him and supported a great business party with a leader who bore aloft the banner of Protection to American industries and to American laborers.

Unless our own industries are destroyed and our laborers turned adrift or they work for wages on a par with those paid abroad, and the scale of their living is brought down to that of the people of foreign countries, then manufactured articles will sell in future as in the past. It is self-evident that

#### *Any Tariff Revision Which Results in Increased Imports*

will diminish, to the extent of the imports, home production, prevent the utilization of home material, the employment of American capital and labor, and send our gold abroad to pay for the imports.

Protection of American industries and thereby American labor through customs duties levied on a uniform principle on articles capable of manufacture in the United States has proved its greatest blessing.

Our exports in depressed Free-Trade times always fall off, and the balance of trade with foreign nations is then against us; and our gold goes abroad for what we buy, and the necessary revenues of the Government have to be raised from a comparatively poor people, while the expenditures of the United States are not diminished. If revenues are not collected on imports, they must be raised by other and more objectionable methods, such as by inheritance tax, stamp tax, corporation tax, income tax, and so forth.

What boots it to the consumer whether or not he pays the duty if he has not the wherewith or the ability to purchase anything to consume? Free-Trade will not be a panacea for a man in such condition. And, for the most part, diamonds, jewels, silks, satins, furs, and luxuries of all kinds, usually purchased by the rich, bear the highest duties.

But the consumer pays the import duty only when he consumes that which, for want of adequate Protection or other cause, is not produced at home.

We Americans are a greedy people and

voracious consumers of foodstuffs, and in other things high livers. In quantity, to say nothing of quality or cost, our average consumption of food per capita, it is estimated, is about twice as great as in Great Britain, France, Belgium, Austria, Russia, Turkey, Sweden, or Norway, and above three times as great as in Italy and in some other European and in most of the civilized Asiatic and South American countries of the world. If meats, wheat bread, sugar, and perhaps some other foodstuffs are alone considered, the disparity in consumption per capita is much greater.

#### *Unless Protection Is Maintained*

to secure employment at remunerative wages for the millions of our wage-earners, they and their families will be driven, as in 1893-1897, to consume less food and use less clothing, and all of poorer quality. Wages will go down; on farms, less grain, cattle, and so forth, will be raised and sold at home or abroad, even at reduced prices, and lands and estates will depreciate in value.

It needs hardly to be stated that prosperous home consumers afford a better market for the products of field and farm than poor people in distant parts, who are too poor to buy much and never buy anything their own country can supply.

If Free-Trade comes, it will inevitably bring down the price of wheat again to 50 cents per bushel, flour to three or four dollars a barrel, and corn, potatoes, and other food products in like proportion; but the millions of laborers will then be out of employment and unable to pay the price.

Bryan and his party in 1896 and 1900 proposed to increase the price of wheat to \$1 a bushel through Free Trade and free coinage of silver. Protection gave the farmer \$1 a bushel in sound money.

Why do poor people leave their native land and ancestral homes, where Free-Trade exists, and go where Protection exists, if the latter increases the cost of living and makes the poor poorer?

They seek a country where they can make a living.

It has always been the case that we buy more abroad in a Protective period than in a Free-Trade period of like duration. It is thus that the customs revenues are kept up to maintain the Government.

The question of revenue aside, universal Free-Trade is far preferable in this country to Protection through duties on imports on only a few of the many important industries. Protection must be, as nearly as possible, national or universal, and equitably applied and administered, or it will not succeed. Protection thus applied

### **Can Not Promote Trusts or Monopolies,**

while Protection only on particular articles, like Free-Trade, will inevitably foster them. Common sense teaches us that trusts and monopolies prosper greatest when supplied with material, duty free. Free-Trade England is the normal home of monopolies.

Free-Trade, experience has proved, facilitates the formation of combinations, monopolies, and trusts. The poorer the masses of people are, the more helpless they are to resist the power and influence of capital and the greed of the monopolist, or to protect themselves by successful competition.

Legislation that paralyzes or destroys established home industries or prevents their being successfully established is a certain means of creating poverty and distress and will prove to be a political crime. It is not, and never has been, a crime to possess an estate when acquired by honest toil and methods, nor is it, or has it ever been, a badge of merit to be poor and dependent. Poverty is not a virtue, but a misfortune to be averted.

The Republican party, with its half century of achievements in the cause of liberty, national unity, humanity, sound money, and of national and individual progress, should not be the political iconoclast of its own work. Its star of glory is not ready to set. Its banner of Protection should remain unfurled, inscribed: "Universal prosperity for America." [Loud applause.]

### **Why Should the South Deprive Itself of Its Fair Share of Protection?**

*From the Congressional Record of July 20, 1909.*

The CHAIRMAN. The request for unanimous consent has been stated, the request of the gentleman from Michigan to speak for five minutes, uninterrupted, on the subject of the telepost, and the request of the gentleman from Alabama

to print in the Record an editorial. Is there objection? [After a pause.] The Chair hears none.

The editorial referred to is as follows:

### **Striking in the Tariff at Southern Prosperity.**

[From the Daily Bulletin of the Manufacturers' Record, July 16, 1909.]

If reports from Washington can be trusted, it looks as though the power of the administration is being used to force a reduction of the Tariff on the things which the South produces and which are erroneously called "raw materials" for the express benefit of the manufacturers of other sections. If this be true, then once more is the South to be sacrificed that others may prosper, unless Southern Representatives in the House and Senate, recognizing the situation, if necessary, throw aside political affiliations and stand united for an equal Protection to Southern interests as the Tariff will give to the interests of other sections. It is worse than folly for Southern Congressmen to pose as friends of the South and yet permit this section to be everlastingly used, as it has been for many years, for the benefit of other sections whose Representatives appreciate the importance of the development of their business interests and unceasingly work to accomplish the best results. If we are to have any Tariff, why should it discriminate against the lumber and the iron ore and the coal and other products of the South which are used by other sections? There is no such thing as raw material after labor has touched it. The iron ore and the coal and the lumber are just as much the product of labor as is the steel rail or the watch spring. There is no more reason why Protection should be granted to the manufacturer of textile machinery, steel rails, or any other product of factory work than there is that Protection should be granted to the producer of ore and coal and lumber and hides and other materials of this character. If these things are to be put on the free list, then every product into the manufacture of which they enter should be put on the free list. Why should one industry be sacrificed for the benefit of another? Why should one section forever be made to pay the bill of furnishing its own materials without Tariff Protection to other sections who are wise enough through their congressional Representatives to procure Protection for their interests? If it be the aim of the administration—and this we can not believe—to strike a hard blow at Southern prosperity, it can not do so more successfully than by forcing a reduction of the Tariff on the things which the South produces, while leaving a Protective Tariff on the things which other sections produce, and of which the South must be a buyer. The time has come for the Representatives of the South in Congress and the people of the South and the people of other sections who have investments in the South to enter a protest so strong and vigorous and fight so determinedly that regardless of party ties this section shall be saved from being sacrificed for the benefit of others.

Pledges to the people of a downward revision of the Tariff may be kept by reducing the duties upon the products of the interests that are attempting to compel the abolition of duties upon iron ore, coal, and lumber which they desire to use in their industries, giving them their material cheaper, to the injury of American producers of such material, without reducing the prices of the finished articles for American buyers.

Downward revision must not be permitted to be worked for the purpose of paying campaign debts to certain great interests.

### **"We Must Give and Take, and Work Together Under the Protective System."**

*From the Congressional Record of July 23, 1909.*

J. HAMPTON MOORE, of Pennsylvania. Mr. Speaker, some of my constituents, who are consumers of farm products, have been complaining of the duties which protect the farmer and enable him to obtain a profit upon his toll. The following communication, which is fairly explanatory, is one of twenty-five that have come to me in the course of two days:

Philadelphia, July 21, 1909.

Hon. J. Hampton Moore, Washington, D. C.

Dear Sir: The heaviest burdens placed upon me as owner and operator of horses is their maintenance, the principal food being oats and hay. As a resident of the State and district you represent, I therefore ask you to use your vote and prestige in having the duty removed from oats and hay.

Very truly, yours,

Lewis L. Tilton.

As every farmer knows, there is a duty to protect both hay and oats. The men who complain of this duty are the residents of the congested centers of population; they are the consumers of the farmer's product; they are the men who buy not only the hay and the oats that come from the farm, but the beef, and the mutton, and the wool, the flour, the eggs, and the potatoes, and the various other products of the orchard and the field. These men are of the vast urban population, whose income is derived from manufactories, warehouses, and other adjuncts of commercial and industrial activity separate and distinct from the farm. They feel that they have been paying good prices for everything that has come out of the farm. They have felt the pressure of the prices of various agricultural products. They come

from sections of the country which firmly believe in a Protective-Tariff system. Why do they ask to have the duties removed from products of the farm? Perhaps it is fair from the urban viewpoint to answer "because the farmer is highly protected and is enabled by excessive rates of duty to charge exorbitant prices for the necessaries of life, over which he has absolute control." Such an answer has a familiar sound as applied to manufactured products. It proves that a rule works two ways.

I do not propose to discuss this question further. It is too late to have any serious effect upon the conference committee, but since there are frequent rumblings from the great agricultural districts with regard to the prices farmers are presumed to pay for supplies they take from the mills, I have deemed it worth while to thus briefly present the other side of the question. It may not please the agitator, who delights in attempts to separate the farm from the factory, but it tends to show that the prosperity of the farmer which now reigns as it never has before would be seriously endangered if that same measure of protection which the farmer demands for his product is not accorded to the consumer.

Recently in a short speech upon this floor I favored protection because, if scientifically applied, it is the best and least burdensome revenue producer we have, and when properly enforced by an honest and impartial administration, would aid and encourage every line of industry, whether agricultural or manufacturing, without resorting to those direct measures of taxation which have been discussed during the pendency of this bill, and which in the last analysis mean that the responsible and thrifty citizen, because he is doing a legitimate business and can be found, shall bear the heaviest burden, while the shirk and the schemer and the demagogue shall go scot-free.

Let the farmer have a reasonable protection on his hay, his oats, his grain, his potatoes, and his eggs, but give that same consideration to his best customer of the store and the mill. We are interdependent in this country, and the closing up of the mills could only result in a loss of purchasing power in the market of the farmer. We must give and take and work together under the Pro-

tective system, and there are assurances that we shall do so when this Tariff bill becomes a law.

### Free Hides and Free Iron Ore Contrary to the Principle of Protection.

*From the Congressional Record of July 29, 1909.*

CHARLES DICK, of Ohio. I present two telegrams in the nature of memorials, one from the president of the Chicago Live Stock Exchange, and the other from James M. Swank, of Philadelphia, Pa. They bear upon the important subject of free hides and free iron ore. I ask that they be printed in the Record and referred to the Committee on Finance.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the Record, as follows:

Union Stock Yards, Chicago, Ill., July 27, 1909.

Senator Charles Dick, Washington, D. C.:

The farmers and cattlemen of the whole country are indignant at the authors and promoters of a Tariff for everybody except the producers of hides. We ask you to prevent the tragedy against common sense and justice. If free hides, then free leather goods. The ever-present spirit of fairness characteristic of the American people will justify your position.

The Chicago Live Stock Exchange,  
J. W. Moore, President.

Philadelphia, Pa., July 24, 1909.

Hon. Charles Dick, United States Senate,  
Washington, D. C.:

The national Republican platform last year said: "In all Tariff legislation the true principle of Protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries." Would free iron ore maintain the difference in the cost of production between Cuba and the United States?

James M. Swank.

### Statement of Changes Made in the Tariff Law by the Conference Report.

*From the Congressional Record of July 30, 1909.*

SERENO E. PAYNE, of New York. Mr. Speaker, I ask unanimous consent to extend remarks in the Record, and to incorporate the statement of changes made in the Tariff law by conference reports on H. R. 1438.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to is as follows:

### Statement of Changes Made in the Tariff Law by the Conference Report on H. R. 1438.

Mr. Payne stated that he has had an investigation made based on the last census returns of 1905, showing the amount of domestic consumption of articles upon which duties have been raised and also the articles upon which duties have been lowered by the bill as finally reported from the conference committee. This has been done because comparisons have been made based upon the amount of importations.

Duties have been lowered where they were too high under the present law, sometimes prohibitive in character, and for that reason the importations were comparatively small. On the other hand, they have been raised in some instances where the Tariff was insufficient for Protection and the importations were very great.

### A Bill Which Meets the Full Requirements of the Republican Platform.

*From the Congressional Record of July 31, 1909.*

SERENO E. PAYNE, of New York. Mr. Speaker, in presenting this conference report, I do it with confidence that it will be accepted by this House and that it will be accepted by the country at large as meeting the full requirements of the Republican platform, as meeting the pledges made by our candidate for President of the United States [applause on the Republican side], and at the same time will not stop a single wheel of industry, will close no factory, and will deprive no man of labor at a decent, fair wage. [Applause on the Republican side.]

### The Cotton Schedule.

Your conferees desire to state that the various arguments presented against this schedule have been examined with care and analyzed in the light of truth, and most of them with which the country has been circulated have been found to be without any warrant of fact. In almost all of these arguments rare and exceptional cases have been picked out and emphasized as the true effect of these cotton paragraphs, whereas in truth and fact, when they are examined

in the light of careful analysis and their probable application to importations of merchandise of that character, they are without any foundation of fact.

"While there are increases in the rates of the paragraphs on lower-count goods, there are great reductions in other provisions of the law applicable to cotton goods, and your conferees are satisfied after a full and complete investigation that the result reached by the conference is a fair and just cotton schedule, one calculated to build up the cotton industry of the country and at the same time do justice to the consumers of the country."

#### *Paper and Pulp Schedule Defended.*

If there was any item that absorbed more attention in debate than any other it was upon the paper question, the question of the rate of duty. We did not want to shut up any paper mills in the United States. We are not here for that purpose, no matter who demands it. We did not want to get an undue duty upon paper and wood pulp. We insisted that wood pulp should go on the free list; and that was conceded. We offered a compromise finally upon paper of \$3 a ton instead of \$2. It could not be accepted. Then we inquired why it was. We made that inquiry before we adopted the raise of the duty. They claimed that the Mann report, which gave the \$2 duty upon paper, was based on the claim that it was the difference in cost at the factory in the United States and in Canada. I do not know that I state that exactly correct, but that was their claim substantially. They claimed that he had left out of the calculation the difference in the cost of pulp wood at either factory. They produced a good deal of evidence going to show that the pulp wood on an average in the factories of the United States cost \$4 per ton more than in the Canadian factories. A fair average would carry it beyond the \$2 a ton. Well, now, Mr. Speaker, we had before us Senator Frye, of Maine, who had a good deal of personal knowledge and information on the subject, in addition to the evidence they had presented; and at the suggestion of the gentleman from Illinois [Mr. Boutell] and myself we sent for the gentleman from Illinois, the chairman of the committee of investigation, and heard him before the committee, and I got the idea from what he stated that the low rate of duty

of \$2 upon paper was largely for the effect that it would have upon the Canadian government in giving us free wood. We held out until the last thing, and finally we put on a duty of \$3.75 a ton, the best concession that we could get and still bring a report into the House. I want to say to gentlemen who are here, as a Protectionist and as a Republican, I do not think that any Protectionist can make a good argument against the rate we have proposed upon print paper of \$3.75 a ton. So we bring it to the House in that way.

Another subject involving much debate was coal. The House had left the duty at 67 cents a ton on bituminous coal, with the provision that it should be free from a country that gave us free entrance upon bituminous coal. Well, it is useless to say or to deny the fact that many gentlemen in the other House and many gentlemen in this House were very much opposed to any possibility of free reciprocal coal between the United States and Canada; most of them without reason as to their locality, and some for more reason because of their locality, oppose any such rate as that.

#### *Tariff on Coal.*

We considered that. Finally we got down to where we could agree upon a straight rate of 45 cents a ton without any provision for reciprocity, but reducing the rate from 67 cents to 45 cents. And so the committee have adopted their report, fixing that rate at 45 cents. From what I can learn of the attitude of Canada, I believe that that is a lower rate than would have resulted from the House reciprocity provision, because I understand that when Mr. Root was Secretary of State he attempted in vain to get any kind of an agreement with Canada that he proposed for reciprocal free coal; and if they would not do it then, I do not think they would have done it under our bill. And so I would like to say to my colleague, who was shouting so loudly a few minutes ago and who appears to have disappeared, that this necessity of life, bituminous coal, has been cut a third of the duty upon this bill, and it comes in here at 45 cents a ton instead of 67 cents.

#### *Iron, Steel, and Iron Ore.*

Then we got down to the iron and steel schedule. The House had made iron ore free. The Senate had put on a



duty of 25 cents a ton. The present law is 40 cents a ton. They were strenuous about that. They wanted the full Senate rate. Some of them went so far as to say the industry would be ruined out in the Rocky Mountains if we let in free iron ore and free coal from Cuba on the Atlantic border, or let it in at anything less than 25 cents a ton.

Your conferees followed the judgment of the House, and asked for free iron ore. At last we compromised on a duty of 15 cents a ton on iron ore. We were all the more moved to stick, because we had so cut the rate on every product of the iron mill that the people along the Atlantic seaboard were entitled to consideration in the matter of the iron ore that goes into their finished product. We stood by them, to encourage their industry and let it not be wiped out by stronger competition of combinations of capital which own their own ore and bring it to Pittsburg from the Western mines. We were dealing out equity and justice to those people, giving them a fair chance for their lives, when we had reduced their pig iron from \$4 to \$2.50, and in many cases had cut the duties on their finished products 50 per cent or even more. So the report of the committee was for 15 cents a ton on iron ore, and I do not believe that the duty of 15 cents a ton will stop a single pick in any mine in the United States. If it would hurt anybody, it would hurt the mine owners in my own State; and I happen to know that it will not hurt them even to have free ore. It can not hurt anything west of the Allegheny Mountains. It can hurt no industry. On the other hand, it will keep the shops east of the Alleghenies running on full time, because they will not have to submit to undue exactions from ore coming from west of the Allegheny Mountains.

### *Three Items Increased.*

Now, we increased three items, according to my recollection, in all of the great iron and steel schedule. On structural iron or steel we made an increase on the fabricated article. We made no increase upon what has been coming in here, but a decrease. The unfinished structural steel has been coming in under the Dingley law. We decreased that by 1 to two-tenths of a cent per pound, but we put that which was fabricated into another class. I was surprised to learn, after I became a conferee, that the fabri-

cation is done in another shop and is a distinct industry from the rolling, hammering, or forging. Even the United States Steel Company has a plant for fabrication, which is separated from its forging plant by from 20 to 25 miles, and we have these large fabricating works in many cities of the United States, and the industry is a great one.

Recently, under the depression of times which affected not only us but Germany as well, they have been bringing in some of this fabricated structural steel. In the case of one building even the door frames and window frames were completed and brought in, adding an expense of almost one-half to the cost of the original structural steel. After I found out the facts I was willing to concede that to the Senate and to the Senate conferees.

Then on high-speed steel of the highest class we made one or two new brackets, increasing the rate. This is something new since the enactment of the Dingley law. It is wonderful development in modern steel making, and by this process we are turning out steel of wonderful character, to be used where the very highest class comes in. And they are getting the higher speed into the article, way up beyond what it was a month ago, and it seemed necessary that on this high class there should be a little addition to the rate.

### *Duty on Barbed Wire Reduced.*

Barbed fence wire has a present duty of 2 cents, and the Senate proposed three-quarters of a cent, and we granted a reduction to three-quarters of a cent per pound. I only speak of that as a single item because time will not permit, and it is too hot if it would, for me to go into much detail about these things. I will show you what is the general result of the reduction on the different schedules by and by.

### *Tariff on Hides, Boots, and Shoes.*

Then there was the hides of cattle. We were not all agreed on it here, but 173 majority seemed to agree on free hides. We reduced the rates on boots and shoes and the products of hides and cattle in the House committee all that we thought it would bear. We made the rates on sole leather, reducing it from 20 cents to 5 cents, and reduced it on shoes from 25 per cent to 15 per cent, and we reduced it on harnesses from 40 per cent to 30 per cent, if I remember

right. Some of these gentlemen, who did not want free hides and brought up the impossible argument that if hides were free all the productions of those hides should be free, urged that on us. It was not logical. I am not going to repeat my arguments on free hides. If anyone doubts where I stand, he can turn to the Congressional Record, and there it is. But when you come to make a shoe, it is not all of leather. The cloth in the lining bears a high rate of duty. Very often the outward material bears a high rate of duty. It is a matter of labor and skill which goes into it. The item of manufacture is a large part of it. I would not be for free hides if I supposed for a moment a duty Protected any American industry. I am not for free raw materials. I repudiate the doctrine now as I have all my life. [Applause on the Republican side.] But my idea is that we do not want to keep a duty on unnecessarily, either for sentiment or anything else. I believe he is an enemy to Protection who deliberately goes to work and puts on a Protective Tariff beyond all reason, nay, beyond Protection and necessary Protection for American labor [applause on the Republican side]; and when you apply that rule to hides, it puts them on the free list.

#### *What Is Raw Material?*

When you apply it to iron ore it puts it on the free list, and according to my doctrine it is not raw material. What is raw material? Iron ore? It is the ore in the earth, buried, before a shovelful of dirt has been removed to uncover it. Is not the ore the finished product of the miner? I do not subscribe to any doctrine of free raw material, but repudiate it. It has no place in my political theory. [Applause on the Republican side.] But we finally compromised on boots and shoes, and we went so far as to compromise by deliberately putting into the conference report something we did not have any right to do. We cut down the duty on belting leather and sole leather from 20 per cent to 5 per cent, just as we had reported it in the bill, and we cut down the duty on shoes made of these hides from 25 per cent to 10 per cent, and on harnesses from 40 per cent to 20 per cent, believing that the House would sustain the rule to waive the point of order if left in the bill, and I have never seen the House so united

in all my career in Congress as it was this morning in adopting that rule, both sides uniting by an almost unanimous vote in favor of it.

#### *Wool Tariff Reduced.*

We have not altered the wool schedule except to reduce three paragraphs—not much, but reduce them—and yet I understand that all of the clothing merchants in the United States are advertising that because of the increase in the rates on wool in both the House and Senate bills, which did not exist anywhere, the price of clothing would go up 20 or 50 per cent after the bill was passed. Thank God, when we write this bill on the statute books it will remain there and its operation will be felt throughout all of this broad land for fifteen months before the next election, and the people will have a chance to see what it does and the relief that it will bring, and know from their own experience what it has accomplished.

#### *Binding Twine and Cotton Bagging*

were put on the free list in the Wilson bill. We found out by experiment under the Wilson bill that binding twine, being a very low order of manufacture, made almost exclusively by machinery and very little labor involved, could be made in this country in competition with the world, and we could continue to leave binding twine on the free list. We also found that the manufacture of jute for cotton bagging involved not only the spinning of the yarn, but a weaving of the cloth, and that free cotton bagging would close up the mills in the United States that were engaged in making it. When we came to form this bill, gentlemen representing these mills asked for an increase from six-tenths of a cent a pound up to a cent, to protect their industry. There are three of those mills, employing thousands of men, in St. Louis. There is one in Massachusetts, in the district of Mr. Gillett. There are three or four in Brooklyn, in New York, my State, and others in the country, employing many thousands of people; and free cotton bagging meant simply the closing of those mills, and so we did not put it on the free list.

Now, Mr. Speaker, the House had one plan of a maximum Tariff and the Senate had a plan of a general and minimum Tariff. The Senate provision was based upon the provision in the McKinley bill

and in the Dingley bill, similar in their character, with more machinery to it and involving the whole law. The Committee on Ways and Means examined the subject, and there was presented to that committee by one of its members a provision drawn after the McKinley bill at the first meetings of the committee, but the committee accepted rather the proposition which was contained in the House bill. There is not a great deal of difference in them in principle, although the process is somewhat reversed, but the object is to obtain fair trade relations by imposing a greater duty where we do not get fair trade relations, and bringing things in at a minimum duty where we do get them. That is the whole scheme of the bill. It is necessary in these days of maximum and minimum Tariffs; it is necessary when one great country especially mentions the United States in her Tariff law and says that certain concessions shall never be allowed to the United States; and it is time we were in the field, showing to these countries what we ought to have in this respect.

*The Equivalent Ad Valorem Reduced from 42.55 to 41.58 Per Cent.*

Now, Mr Speaker, a word about the effect of this bill. We have put upon wines and liquors additional rates that will bring in an increased revenue of over \$4,000,000 annually. Some of the schedules will bring in a little more money than on the importations of 1907 and some of them less; but taking all the schedules into consideration, on the goods brought in in 1907, and the net result is an increase of revenue from

customs of \$3,673,926.45; so that, while the wine schedule brings in an additional revenue of \$4,000,000, the reductions are so great in the other schedules that the balance makes a reduction even on this luxury; and the total increase in revenue on the various items of the bill is only this sum of \$3,673,000, so that the increase in the bill on the imported articles are generally on the luxuries that are coming into the United States. The gentleman may stand upon the stump and shout that we are not reducing duties on this and that, that we have added to that, and so forth, but when they get the final report on the effect of this bill it will be a complete answer to all demagogism of that kind, and the country will see that our increases of duty are almost a third of a million dollars less than the increase on the liquor coming into the United States.

Gentlemen talk about equivalent ad valorem. The equivalent ad valorem for 1907 under the Dingley law was 42.55 per cent. Upon the same articles coming into the United States under this conference report the equivalent ad valorem will be 41.58 per cent, a decrease of equivalent ad valorem of 1 per cent, even taking that basis of calculation. But, gentlemen, I submit that a fair basis was one suggested by a gentleman upon the other side, if I mistake not, based upon the consumption of the article in the United States. They have been declaiming that the duty added to the price. Take them on their own ground, and see what the result is under this bill reported by the conference committee. The result is as follows:

DUTIES DECREASED ON ARTICLES OF OVER \$5,000,000,000 CONSUMPTION VALUE; INCREASE ON  
ARTICLES OF LESS THAN \$1,000,000,000 CONSUMPTION VALUE.

Sched- ule.	Article.	Import value.	Production value.	Export value.	Consumption value.	
					Duties decreased.	Duties increased.
A	Chemicals, oils, and paints. ....	\$3,293,537	\$448,773,457	\$7,861,340	\$433,099,846	\$11,105,820
B	Earths, earthenware, and glassware. ....	4,708,158	125,836,505	2,186,319	128,423,732	.....
C	Metals, and manufactures of ..... .....	30,093,646	1,277,989,356	48,450,578	1,221,956,620	37,675,804
D	Wood, and manufactures of ..... .....	19,666,983	622,729,556	44,245,217	566,870,950	31,280,372
E	Sugar, molasses, and manufactures of. ....	116,060	301,679,243	829,350	300,065,953	.....
F	Tobacco, and manufactures of (no change of rates). ....	.....	.....	.....	.....	.....
G	Agricultural products and provisions. ....	794,340	629,807,503	142,791,163	483,430,637	4,380,043
H	Spirits, wines, and other beverages. ....	21,080,205	444,236,228	3,314,578	.....	\$462,001,856
I	Cotton manufactures. ....	7,035,395	34,586,629	.....	.....	41,622,024
J	Flax, hemp, and jute, and manufactures of. ....	2,388,074	20,543,516	.....	22,127,145	804,445
K	Wool and manufactures of wool. (No production statistics available for articles affected by changes of rates.)	.....	.....	.....	.....	.....
L	Silks and silk goods. ....	20,713,081	93,977,133	.....	7,947,568	\$106,742,646
M	Pulp, papers, and books. ....	6,032,683	146,596,110	3,514,281	67,628,065	81,486,466
N	Sundries ..... .....	35,810,954	1,834,060,091	98,786,378	1,719,428,069	101,656,598
	Total .....	\$151,733,116	\$6,030,815,337	\$351,979,204	\$5,004,365,673	\$878,756,074

•Luxuries, articles of voluntary use.

**Consumption Value of Articles on Which Duties Have Been Increased and Decreased.**

The following table shows the consumption value of articles on which rates of duty have been increased and decreased in all cases where the amount of production can be ascertained:

Of the above increases the following are luxuries, being articles strictly of voluntary use:

Schedule A, chemicals, including perfumeries, pomades, and like articles.....	\$11,105,820
Schedule H, wines and liquors.....	462,001,856
Schedule I, silks.....	106,742,646
Total .....	\$579,850,322

Schedule.	Duty decreased.	Duty increased.
A. Chemicals, oils, paints .....	\$433,099,846	\$11,105,820
B. Earths and earthenware .....	128,423,732	.....
C. Metals, and manufactures of .....	1,248,200,169	11,432,255
D. Lumber .....	568,870,950	31,280,372
E. Sugar .....	300,065,953	.....
F. Tobacco. No change.	.....	.....
G. Agricultural products .....	483,430,637	4,380,043
H. Wines and liquors .....	.....	462,001,856
I. Cotton .....	.....	41,622,024
J. Flax, hemp, jute .....	22,127,145	804,445
K. Wool. No statistics; no change.	.....	.....
L. Silk .....	7,947,566	106,742,646
M. Paper and pulp .....	67,628,055	81,486,466
N. Sundries .....	1,719,428,069	101,656,598
Total .....	\$4,978,122,124	\$852,512,525

This leaves a balance of increases which are not on articles of luxury of \$272,662,203.

[Loud applause.]

I am thankful that this statement has gone all over the United States, and I tell you it will take pretty tall lying and it will have to travel fast to get ahead of the truth in this matter. [Laughter.]

We have revised the Tariff and have taken off unnecessary duties, not all along the line, but in our revision of the Tariff we have revised the Tariff downward, and yet we have held the scales so evenly that we have done no injury to any workman in the United States, to any workshop in the United States, to any farm or any factory, to any mine or any citizen of the United States.

The Dingley law during all its period of existence has provided ample revenue, and there is no doubt this law will do the same for another twelve years. Let us pass it, gentlemen on this side of the House. The duty is ours; the time has arrived. Vote against it if you want to drive your party into chaos; vote against it if you want eternal agitation about the Tariff. Go on and vote against it if you choose, but do not do that on the idea that you are going back to the Dingley bill or the Dingley rates.

That is a delusion; you will not get it, but you will get agitation instead. There

will come in another bill one of these days, and in the meantime the wheels of industry will stop, enterprise will be paralyzed; the country will stand still or will move backward, and you will curse the day when you failed to go with the great majority of your party, almost all of them, your President having lent his approval to this bill, if you fail to stand in the hour of the country's need and of your party's need and vote against this bill. Let us pass it when the hour of 8 o'clock arrives, and give courage and joy and happiness to the people of the United States. Let us start the remaining idle wheels of industry; let us put every man who wants to work at work; let us build up the happy homes in the United States as they will be, and they will bring the great paeans of their applause for your patriotism and statesmanship in meeting this emergency. [Loud and long-continued applause on the Republican side.]

Mr. LONGWORTH, of Ohio. I most heartily approve of the bill as reported by the conference committee, because I believe it to be a bill which does not depart one iota from the true Republican theory of Protection, and because I believe that it is a substantial revision downward. I am not one of those who quibble about the meaning of the word "revision." I do not believe that to revise merely means to look over. I believe that to revise means to take affir-

mative action, and I believe that the promise of the Republican platform was to take affirmative action, and that in the direction of a revision downward. I sincerely trust that my colleagues upon this side who are not suited in every respect by this bill will be content to follow the leaders of the Republican party and not worship at the altars of the false gods either of excessive rates of Free-Trade. I thoroughly believe in

#### *Publicity in the Affairs of Corporations.*

I believe it will be a benefit, not only to the public at large, not only for the benefit of the small stockholders, but for the benefit of the corporations themselves. There is no question but that the disclosures that were made some years ago of reckless dishonesty in the management of a few of the great corporations destroyed the confidence of the investing public, both here and abroad, in all corporations—a confidence which has not yet returned and which will not wholly return until the public has some means of knowing what the affairs of these corporations really are. I believe that a reasonable publicity will cause millions of the public's money to come out of hiding and seek investment in corporate stock, and that floods of money will come to this country from foreign investors. I believe that incalculable benefit will come to the present stockholders because they will have a means of knowing whether a fair amount of the profit of the corporation in which they are interested finds its way into their hands or whether it is diverted, by the payment of unreasonable salaries to the officers of the corporation or in other ways, from its proper channels. I believe that the safest tribunal before which any corporation can be judged is before the bar of public opinion, and that the reasonable publicity which this measure requires will show that corporations, no matter how big, will be fairly judged, and will show further that the vast majority of all the corporations of this country are, in fact, managed honestly, intelligently, and with due regard for the interests of the public.

I believe that this measure is in line with the great progressive measures which have been enacted by the Republican party in the past eight years for the supervision and regulation by the Government of corporate wealth, the question which, to my mind, together with the

question of the conservation of our national resources, overshadows all others in importance. I believe that in evolving and advocating the passage of this law that the President of the United States has redeemed in the fullest measure his pledge that he would, during his administration proceed along the paths blocked out by his predecessor; that he would use every effort to bring to his policies their fullest fruition. [Applause.]

#### **Faith in the Broad Principles of the American Policy of Protection Has Not Been Shaken.**

*From the Congressional Record of July 31, 1909.*

PHILIP PITT CAMPBELL, of Kansas.

Mr. Speaker, during these months of interesting and sometimes heated discussion my faith in the broad principles of the American policy of Protection has not been shaken. If we would maintain American standards of living, we must maintain the Protective policy of Hamilton, Clay, Blaine, and McKinley, as advocated by the Republican party for more than half a century.

It is manifestly fair that the importer of any article from a foreign country should pay a Tariff for the privilege of entering our market with it. In the first place, the foreigner maintains his industry, employs his labor, pays his taxes, and supports government outside of the United States. The foreign manufacturer does not pay in any country more than one-half the wages that is paid to labor in the United States, and in some instances the wages are as low as one-tenth of the wages paid in the United States.

It is plain, therefore, that if we open our ports to a freer trade, we declare, to that extent, for the "open shop" in the United States, which will result in closing our industries or lowering our scale of wages and standard of living to the level of the wages and standard of living of the countries with whose products we compete.

#### **No New Arguments in Favor of Free-Trade.**

In all these months of discussion I have heard no new arguments urged in favor of Free-Trade that have not been used for three-quarters of a century by

opponents of the policy of Protection and the advocates of Free-Trade everywhere. Those who have spoken in behalf of the importer and of the right of foreign products to enter our markets at more favorable rates to the foreign producer, whether they have been new recruits or old warriors against the policy of Protection, have used the old weapons that have been used against Protection through all the years since its establishment and maintenance in the United States.

The declaration that imposing a Tariff on a foreign product imported into the United States that comes into competition with a like product produced in the United States increases the cost of the American article to the American consumer is not true and is denied by the results that have followed the levying of duties and the creation and maintenance of industries in this country.

#### *Prices Reduced as the Result of Protection.*

I have examined the Statistical Abstract of the United States from the year 1840 down to the present year, and find that the wholesale prices of the principal manufactured staple commodities entering into general use have been greatly reduced in price rather than increased, as a result of establishing industries under a Protective Tariff in our own country.

Let me cite a few items to illustrate: English white stone plates, 7 inches across, sold in 1870 for 8½ cents each, wholesale. In 1908 American plates of the same size and quality sold for 4½ cents each.

Tin plate, made in Wales, sold here in 1890, at wholesale, per box of 108 pounds, at \$6.75; in 1908, American tin plate, same grade and quality, for \$3.75.

Manchester gingham, in 1860, sold here for 16 cents per yard; in 1908, American gingham sold for 5 cents per yard. Flannels, in 1880, sold for 50 cents per yard; in 1908, for 46 cents per yard. Half-gallon glass pitchers, made in Belgium, sold here in 1860 for \$8 per dozen, and in 1908, our own, made in protected glass factories, sold at 96 cents per dozen, and glass is one of the most highly Protected industries in the United States. The price of all glass products, including window glass, has been reduced more than one-half under a Protective Tariff.

#### *Calico, in 1870, 18 Cents Per Yard; in 1908, 5¼ Cents Per Yard.*

Calico, in 1870, sold at 18 cents per yard; in 1908, at 5¼ cents per yard. Print cloths, in 1870, sold at 7¼ cents per yard; in 1908, at 3½ cents per yard. Women's solid-grain leather shoes, in 1870, sold, wholesale, at \$1.37½ per pair, and in 1908 at 96¼ cents per pair. Sheffield knives and forks sold in 1870 at \$18 per gross; American knives and forks of the same grade sold in 1908 at \$5.41 per gross. Shirtings, in 1870, sold for 17 cents per yard, and in 1908 at 8¼ cents per yard. All these are wholesale prices.

These reductions have been made to the American consumer in the prices of these manufactured articles of general consumption by levying Protective duties and establishing industries in our own country that have supplied us with these commodities, and on all these items the duties have been high and are high today, and yet the price of all these articles, and many others that could be named, has been cheapened under and by a Protective Tariff.

#### *German and American Hose.*

There has been a great deal said about the increased cost of ladies' hose. I stepped into a store this morning on the way to the Capitol and purchased two pairs—one of German manufacture and one of our own manufacture. They are of the same grade and quality. Members sitting near me here have difficulty in telling which is the German and which is the American hose. I paid 50 cents for the German hose and 35 cents for the American hose. The dealer from whom I purchased these informed me that when he began doing business in Washington thirty years ago, he sold few but foreign hose, and that they ranged from 85 cents to \$1.25 per pair for the same grades that I have here. We reduce the price of our own products by the skill of our labor, the improvement of machinery and the large quantity we produce and consume among ourselves.

#### *Relation of Producer and Consumer.*

Why, Mr. Speaker, our people are, with rare exceptions, all producers as well as consumers. Some produce farm products, some mill, some factory, and some mine products; and others transport and distribute the products of all these, who are alike producers and consumers. If the

farmer must take a low price for his product, he can not pay a high price for factory and mine products, and he will not stimulate transportation and distribution and activity in industry.

If the workmen in the factory, the mill, and mine get low wages, they can not pay high prices for the products of the farm; and when there is inactivity in all these branches of industry, transportation and distribution are dull and do not afford profitable employment and wages to those engaged in transportation and distribution; and when all these, in turn, are unable to buy the products of the farm, the factory, the mill, and the mine, at fair prices, there is industrial depression and hard times for everybody.

When we speak, therefore, of producers, we speak of all our people. When we speak of consumers, we speak of all our people. They are both producers and consumers, and each must enjoy prosperity in his industry in order that the country may prosper as a whole.

All our people must enjoy prosperity together or suffer adversity together.

### *Where Clothes Are Cheap People Go Almost Naked.*

There is as a rule small pay for work, a cheap man, a cheap home, a low standard of living, and a cheap country behind cheap products of labor.

I have been in countries where a suit of clothes such as were commonly worn there could be purchased for 90 cents, but men and women alike were almost naked, and children wore no clothes. It was a cheap country. Everything was cheap, but no one had anything with which to buy. Where I have seen everything the cheapest is where I have seen the people the least able to buy.

If we supply our wants from the output of foreign mines, mills, and factories, we to that extent close our own industries and throw our own labor out of employment.

My deep concern in the preparation of this bill has been to have it so framed that when the business of the country is adjusted to its provisions not one American workingman shall be without work at the American scale of wages, and every dollar of our money shall be profitably employed. Thus there will be prosperity in every field of industry and in every mart of trade.

## **Best Piece of Tariff Legislation Ever Put Upon the American Statute Books.**

*From the Congressional Record of July 31, 1909.*

EBEN W. MARTIN, of South Dakota.

If before this debate began there was any doubt as to whether or not this is a genuine Tariff revision downward, that doubt has been entirely dissipated by this discussion. I think the leader of the minority could obtain the unqualified certificate of the gentleman from New York [Mr. Malby] who to-day addressed this House, that the Tariff rates on the industries in his district have been revised downward. For one I can testify that the duty on hides has been revised downward. I sincerely hope that hides have not been revised down and out.

But if there were still any question as to whether the general conclusions of this revision were upward or downward, that doubt has been further settled by the figures presented here by the versatile and companionable leader of the minority, the gentleman from Missouri [Mr. Clark], who, after passing over to us the trite and ancient saw that "liars will figure," immediately proceeded to make some figures on his own account. His conclusion is that the general result of this effort at Tariff revision is a revision downward of ninety-seven one-hundredths of 1 per cent. Small favors are thankfully received. His rate is rather small, but it is in the right direction. The demonstration of figures is always mathematical and conclusive, but much depends as to the significance of those figures upon what is the basis upon which they start. I apprehend if our friends of the Democratic party will be a little more impartial in the basis of their figuring and a little more thorough in carrying their figures out, they will be able to discover that as to the important necessities of American commerce and of American consumption the rate of downward revision has been considerably more than that indicated in the statement of the leader of the minority.

Mr. Speaker, there are inevitable inequalities in all Tariff legislation. There are some items in this bill which, if I could have the entire control and shaping of them, would be entirely different from what they are. I can say, however, that there are very few. I can-



didly believe that this same Tariff bill will go upon our statute books and start our industries anew, and that it will be the best piece of Tariff legislation that has ever been put upon the American statute books. There are not in this whole list of revised items more than two or three the inequality or the doubtful character of which are such that I care to refer to them in a discussion of this kind.

### Unwilling to Trust the Democratic Party with the Business Interests of the Country.

*From the Congressional Record of August 2, 1909.*

DAVID A. HOLLINGSWORTH, of Ohio. I am unwilling to trust the Democratic party in any way with the business interests of the country. Experience has shown its folly and its danger. The results of the Wilson-Gorman act are too recent to be forgotten. The Free-Trade tendencies of the Democratic party are alarming to conservatives. Here and there during the consideration of this measure, a Democratic Member, from confessedly selfish motives, has manifested a disposition to break away from the old "Tariff for revenue only" heresy of his party, but the exception only proves the rule. The leopard does not change its spots, although some of them may grow hoary and dim with age, and this is equally true of the Democratic party, especially in the consideration of the Tariff question. It is irreconcilably wrong. Even General Hancock, who, when a candidate for the Presidency, sought to treat the Tariff as a local question, found out his mistake when it was too late to save his cause from utter collapse, too late to save himself from being laughed out of the canvass. The line of cleavage between the two great political parties on the question of Protection to American industries and American labor is clear and well defined. It can not be disguised or mistaken.

### Tariff on Hosiery Lower Than Under the Wilson Law.

*From the Congressional Record of August 2, 1909.*

EBENEZER J. HILL, of Connecticut. The gentleman seems to bear rather hardly upon the hosiery schedule. I wish to submit as a perfectly fair proposition that under the Wilson bill common hosiery had a duty of 30 per cent, and under this bill it is 30 per cent ad valorem, precisely the same as under the Wilson bill, and the duty on fine hosiery was 50 per cent ad valorem, and here has the specific duty of 50 cents and a duty of 15 per cent. Now, then, cotton to-day is worth 12½ cents, is it not? It was worth in 1895, when the Wilson bill was in operation, 7 cents. Your Wilson bill duty of 50 per cent, if continued to the present time, would be higher than what you condemn now in the hosiery schedule.

### Enormous Growth of Our Foreign Trade Under Protection.

*From the Congressional Record of August 2, 1909.*

JAMES A. TAWNEY, of Minnesota. Mr. Chairman, I will insert in the Record, in this connection, the letter of the Secretary of State giving full information regarding the necessity for that \$100,000 appropriation.

As illustrating the importance and extent of American commerce, investment and travel in foreign countries, and as throwing some light upon the rate of increase and the vast possibilities of the future, some of the following statistics may be found suggestive:

The population of the United States (exclusive of outlying possessions other than Alaska and Hawaii) has increased from 58,680,000 in 1887 to 72,947,000 in 1898, and to 87,189,000 in 1908.

The estimated wealth of the United States increased from \$65,000,000,000 in 1890 to more than \$100,000,000,000 at the present time.

#### Growth of Our Foreign Trade.

The value of the total foreign trade of the United States in the fiscal years 1887, 1898, and 1908 is shown in the following table:

#### Value of merchandise.

Fiscal year.	Imports.	Exports.	Total.
1887.....	\$692,319,768	\$716,183,211	\$1,408,502,979
1898.....	616,049,654	1,231,482,330	1,847,532,984
1908.....	1,194,341,792	1,860,773,346	3,055,115,138

It will be seen by the foregoing that our total trade in merchandise has increased from \$1,408,000,000 in the fiscal year 1887 to \$1,847,000,000 in 1898, and to the enormous valuation of \$3,055,000,000 in 1908. This last-mentioned figure represents an increase over that for 1887 of 117 per cent, and over 1898 of 65.4 per cent.

It will also be observed that the total exports of merchandise have increased from \$716,000,000 in 1887 to \$1,231,000,000 in 1898, and to \$1,860,000,000 in 1908. This last valuation represents an increase over that for 1887 of 160 per cent, and over that for 1898 of 51 per cent.

This wonderful growth in our export trade is illustrated by the per capita valuation, which has increased from \$11.98 in 1887 to \$16.59 in 1898 and to \$21.04 in 1908.

A century ago agricultural products constituted about 80 per cent of our total exports to the world. In the last twenty years the share of manufactures in this export trade has steadily increased, and now amounts to more than 40 per cent. If we exclude partly prepared foodstuffs and consider only manufactures ready for consumption and manufactures for further use in manufacturing, the value of our exports of manufactures to the world, in 1887, was \$149,150,329, or 21.21 per cent of the whole; in 1898 it had increased to \$324,527,921, or 26.81 per cent of the whole; and in 1908 to \$750,575,841, or 40.91 per cent of the whole.

#### *Growth of Foreign Travel.*

The following table shows the departures of passengers from the seaports of the United States for foreign countries in the fiscal years 1887, 1898, and 1908:

1887.....	193,897
1898.....	225,411
1908.....	874,686

It will be seen from the foregoing table that the outward passenger movement of the United States for 1908 represents an increase over that for 1887 of 351 per cent, and over that for 1898 of 288 per cent.

#### **Few Increases, and Those Mainly on Articles of Luxury; Many Reductions, Almost Wholly on Articles of Necessity.**

*From the Congressional Record of August 3, 1909.*

PORTER J. McCUMBER, of North Dakota. Mr. President, so little of truth and so much of falsehood has gone out to the country concerning the rates of duty imposed by this Tariff bill that I feel it appropriate now, as we are about to vote upon the adoption of the conference report, to present to the public a statement as concise as possible showing just what this Tariff revision means.

Everywhere throughout the country we

find a general belief that the revision of the Tariff all along the line has been an upward revision. No greater error could have been published. There have been very few raises, and those for the most part are on articles that are least purchased, articles of luxury. There have been very many reductions, and the reductions for the most part are on articles that are purchased generally and which could in no sense be declared luxuries.

Those things which the great bulk of the people purchase generally are not luxuries. Those which only a small percentage of the people can afford to purchase may be called by that name. Applying this rule of division to reductions and increases, we will find that we have reduced the Tariff, on the basis of goods imported, to the amount of \$4,951,813,175. The duties have been increased on goods amounting to \$878,756,074. In other words, the reductions are five and two-thirds times greater than the increases on all goods, including luxuries.

Most of these advances are on imported champagnes and other wines and liquors and other articles of luxury to the value of \$637,903,549.

Deducting the amount of wines and liquors and other luxuries on which a raise has been had and which are purchased almost exclusively by the wealthy, who are able to pay the revenues, we have the following:

Tariff decreases on goods amounting to .....	\$4,951,813,175
Tariff increases on goods (other than liquors and luxuries) .....	240,852,525

The decrease outside of champagne and other liquors and luxuries is twenty-one times greater than the increases, considering the value of the goods upon which the duties operate.

These figures stand a clear refutation to the false claim that this Tariff bill is an increase instead of a reduction of duties on the bulk of the articles purchased by the American people.

#### **Where the Country Press Gets Its Inspiration.**

I shall not stop to show what is the moving force that is back of all of this erroneous literature which seeks to give to the public so much of the false and so little of the truth. We know generally that the country press, for the most part, gets its information as well as its

inspiration from the great city press; that the press of the large cities is supported by the heavy advertising of the great department stores and importers; that the department stores and importers are always on the side of the lowest possible duties, and exercise their power and influence for ever greater reductions. Whether the great city press is actuated by the desire of those who furnish the advertising upon which its financial success depends, or influenced by the growing spirit of the day to assault everything rather than to present a fair, simple, and plain statement, is immaterial in this case. The fact remains that the public have been greatly misinformed as to the effect of this bill in increasing or reducing rates of duty. I am not saying that there may not be some items of duty which have not been brought down as low as possible consistent with proper Protection, but on the vast majority of things which are purchased by the people, outside of the woolen and cotton schedules, there has been a good, substantial reduction, and the cotton and woolen schedules are substantially the same as in the old law.

#### *One-Sided Arguments.*

Most of the arguments made upon this bill on both sides of the Chamber have been one-sided arguments. They have been arguments which dealt with the extreme cases and not with the average cases. I have tried to avoid the extreme of either side of this Tariff question and to weigh matters from the judicial standpoint, rather than from the standpoint of an attorney representing either side. While I am not satisfied with the bill because of the injustice in many instances against the agriculturist, I would be very far from the truth and very far from performing a just duty which I owe to the public and to my State if I did not present the good features of this bill, though I may criticise portions. They far outnumber and outweigh those features which are less favorable.

#### **Protection of One Industry at the Sacrifice of Another Is a Suicidal Policy.**

*From the Congressional Record of August 4, 1909.*

J. WARREN KEIFER, of Ohio. Pro-

tection of one industry at the sacrifice of another or others is a suicidal policy. Revision downward that does not increase the revenue of the Government or reduce prices to the consumers, or both, is demagogical deception. Protection by levying import duties has no justification unless in the end it secures increased and cheapened products. If Protection depends on one industry, through Protection, destroying the prosperity of another or others, then we should welcome Free-Trade, bad as it would prove to be.

#### *No Such Thing As Raw Material.*

The selfish manufacturer has seized on the phrase "raw material" to describe all materials which enter into his manufactures, however great the cost of its production to the owner.

Ores of all kinds while untouched in their natural state in the earth might be classed as raw material, though even in that state it may have cost the owner much extra for the land containing it and for a means of access to and egress from it. In any case, as soon as labor touches it the character of raw material leaves it, and forever. It then becomes in process of manufacture, and its value increases in proportion to the cost of the labor bestowed upon it.

There is no such thing as raw material in the hands of its producer. It must be regarded as his finished product when he sells it. The manufacturer who buys and utilizes it to make his finished product is the consumer of it.

The same principle applies to the raisers and owners of cattle, sheep, horses, and other domestic animals, and the incident products of them. The value of the land on which they are bred, raised, or fed, their prime cost, the value of the grass, hay, and grain they eat, the value of the skill and labor bestowed in their care, and the cost of transporting and the expense in marketing, the risk of loss by disease or accident, and still other things enter into their production. They are the farmer's finished product. This being clear, there are still those who insist that the hide of an animal, at least, is raw material and should not be regarded of any value worth Protecting when the tanner or the leather merchant or the manufacturer of the products of leather wants it. This view is too transparently selfish to have the appearance of honesty.

The reasoning to show that there is a raw material not worthy of Protection is ludicrous and sometimes laughable. The milk of the cow or the cream from it is, by the absurd rule, classed as raw material when used to make butter or cheese, yet it is classed as a finished product when a hungry boy drinks it. So meat and the like is raw material when purchased for use in canning, for making breakfast bacon, and the like, yet a finished product if bought for consumption on a table, unless its cooking constitutes it a finished manufactured product. But whatever you may call the farmer's beef animal, or any part of him, the fact remains that he is, in all his parts, the farmer's finished product.

#### *Danger from Pretended Friends.*

There is great danger that the policy of Protection is to be overthrown by its pretended friends, who, under the guise of Tariff revisionists or reformers, favor putting the other fellow's industry or product on the free list in their own interest and retaining on their own finished products a high Protective duty.

When the time comes—and such revisionists are rapidly hastening its coming—that we, in our efforts for Tariff revision, engage solely in a contest to see how well certain industries can be Protected and how many others can be put on the free list to promote the Protected ones, then the people of this country will welcome in preference absolutely Free-Trade in all things.

Reduction of import duties is always proper when all American industries and all classes of our laborers are equitably treated, but if no duties are put or great reductions are made on some industries and increased duties are put on others, then revision will work injustice, the labor cheapened to the scale of Free-Trade times, and those who control the nonprotected industries will be destroyed, Protected industries only will be benefited, and they only for a brief time, as the universal depression in wages will soon so impoverish the whole country as to prevent a satisfactory market for Protected articles.

#### *When Protection Will Be Overthrown.*

The principle of high Protective duties on some things or industries and low or no duties on other and kindred things or industries, or parts thereof, is un-American and destructive of the

policy of Protection by import duties.

The selfishness of trying to Protect purely local American industries in certain parts only of our country, and at the same time provide these parts with duty-free imported material, or Protecting local interests on our coasts and fostering the people enjoying such interests in building up monopolies or trusts through free imports, will, and should, if long attempted, overthrow the American policy of Protection.

When American Protection must be made to depend for success on a monopoly or trust being richly fostered by high Protective duties on its products, and also by Free-Trade on the domestic product it feeds on, then universal Free-Trade, with all its direful and calamitous conditions, should be welcomed, and it will be found preferable.

#### **The Most Effective Revision Downward Undertaken by any Tariff Bill Ever Presented to the American Congress.**

*From the Congressional Record of August 4, 1909.*

SAMUEL W. McCALL, of Massachusetts. It has been the contention of nobody that the bill before the House was going to reduce the revenues at the custom-houses. On the other hand, we have had it in view to increase those revenues. If we had made the duties prohibitive, there would be no revenue, and by this method it would be argued that we had revised the Tariff downward.

We might have brought in a bill founded on the English system, where upon five articles alone, counting liquors as one, they produce a revenue at the custom-house of more than \$158,000,000. Multiply that by 2, which is about the ratio of our population to that of Great Britain, and we should produce over \$317,000,000 upon those five articles. A Tariff bill like that would be a Free-Trade Tariff; and yet, upon the theory of the gentleman's expert, we should have produced no downward revision of the Tariff, because the revenues would not have been decreased.

It is said that this is not a revision

downward. Why, it is impossible for any fair-minded man to take these schedules and to go through them from beginning to end and deny that it is the most effective revision downward undertaken by any Tariff bill ever presented to the American Congress.

You can count on the figures of one hand in the chemical schedule the increases, if you leave out luxuries, while there is a whole page of decreases, and among them the great chemicals—sulphate of ammonia, which is put upon the free list, various forms of lead, various forms of potash—those chemicals that enter into manufacture and into the consumption of our people.

And then take the iron and steel schedule. We begin by making a reduction from 40 cents to 15 cents a ton in the duty upon iron ore, which lies at the basis of all manufactures of iron and steel. We reduced the duty upon pig iron, which is used by so many industries, from \$4 to \$2.50 a ton. We reduced the duty on scrap iron from \$4 to \$1 a ton. We cut in two the duty on steel rails. The steel schedule presents a reduction which amounts practically to cutting it in two. Yet we have adjusted these cuts to the conditions of the industry, and we believe that they will not result in harming any part of this country. The duty upon coal is cut 33 per cent. The duty upon petroleum and its products is removed altogether.

And so it is throughout the whole bill. Take the duty upon hides. They have been upon the free list ever since we have been a nation, with the exception of two or three intervals, and this bill places them there again. We do not believe that it will in any way affect the cattle-growing industry in this country; but the removal of the duty is far more than compensated for by the radical cut made in leather, in boots and shoes, in harness and saddlery. In these paragraphs the duties are practically cut in two.

#### *Meets the Views of President Taft.*

Mr. Taft, when he was a candidate for the Presidency, took the people into his confidence and frankly announced that if he were elected he would attempt to bring about a re-

vision of the Tariff downward upon the lines of Protection. That policy beyond question is reflected in this bill. It is a great government measure. It is one of the most monumental measures ever presented to an American Congress. It is a measure the passage of which is desired by a Republican President. It is the first great policy of his administration. I say to you it would be most damaging to him, it would be most damaging to the cause of a revision of the Tariff, either up or down, if enough Republicans withheld their votes from this measure to defeat it. It would, at the threshold of his administration, subject him to a damaging repulse, and it would keep alive agitation; it would keep uncertainty hanging over business.

If in a Tariff bill applying to some 4,000 articles every duty must first be adjusted to please everybody, or, indeed, anybody, we should never have legislation. From necessity such a bill involves compromises. Some of the provisions of this bill, standing alone, I should vote against. But as a whole I believe it a righteous measure, and as such it will have my vote. We will have a conflict of forces, we will have disintegration and chaos, if the report is voted down; and in the interests of good legislation, and to put upon the statute books what I believe is, upon the whole, as good a Tariff law as was ever passed by the American Congress, I appeal to the Members upon this side of the Chamber to give their votes in favor of the report. [Applause on the Republican side.]

#### **False Assertions of Clothing Manufacturers Regarding the Effects of the Tariff on Wool and Woolens.**

*From the Congressional Record of August 4, 1909.*

RALPH D. COLE, of Ohio. Mr. speaker, no defense of the duty on wool provided in the proposed bill is necessary at this time. It has proved its value by producing ten years of great prosperity in the wool and woolen industry of the United States. During the discussion of the Dingley bill in 1897 Senator Dolliver, of Iowa, then a member of the Committee on Ways and Means in the House, made

the following statement in reference to this schedule:

We propose to stop the slaughter of American flocks. That is the first thing. We propose to reopen the doors of the American factory. That is the second thing. We propose to put \$40,000,000 into the Treasury every year instead of \$20,000,000. That is the third thing.

Seldom in the history of legislation has a prophecy been so completely verified. Our flocks have been increased from 37,000,000 to 54,000,000. The production of wool has increased 50,000,000 pounds annually. The value of our flocks has increased from \$63,000,000 to \$211,000,000. These figures are proof conclusive that the first prediction is now a matter of historical record.

The maxim of McKinley that "it is better to open the mills of the United States to the labor of America than to open our mints to the silver of the world" finds full justification in the progress of woolen manufacture during the last decade. The second pledge has been redeemed. The increase in revenue under this schedule has approximated \$20,000,000 annually. The prophecy of Senator Dolliver has been fulfilled, and the great purposes of the framers of that law have been achieved.

#### *Outrageous Misrepresentation.*

The National Association of Clothiers, in order to accomplish their purpose, have begun an advertising campaign proclaiming that the price of men's and boys' clothes will be increased from 25 to 35 per cent because of the enactment of the pending measure. In their memorial they state that it will increase the cost of clothing to the ultimate consumer in the United States at least \$120,000,000 during the next year. I desire to have printed in the Record the following statement taken from their memorial which fully explains their position:

These advanced prices on worsteds which have been announced, following the steady deterioration of fabrics in weight and quality, resulting from the operations of the Dingley bill, will add to the retail price approximately \$2.50 on a \$10 suit of clothes, \$3 on a \$15 suit, and \$5 on a \$20 suit, or from 20 per cent to 25 per cent to the cost of the clothing to the wearer thereof.

The aggregate burden of the increased cost of men's and boys' clothing to the American people, under the present advance alone, will be \$120,000,000 for the

year 1910, which is twice the value of the annual domestic wool clip. Although the bill has not yet actually become a law, yet it is clearly seen how it will operate, and the foregoing demonstrates the results already apparent to actual manufacturers of clothing.

The first proposition that either the price of yarn or cloth or clothes will be increased by reason of this bill is absolutely false.

#### *There Is Not a Single Increase*

of any rate in this whole schedule over the rates provided in the Dingley law. On the contrary, two or three substantial reductions have been made. By what show of logic can it be said that the price of clothes will be increased when not a single rate has been raised and a few have been lowered? If there is an increase in the cost of clothing it must find its cause in some other fact.

Let us examine the statement of the clothiers' association. They say that the price of a \$10 suit will be increased \$2.50, the price of a \$12 suit will be increased \$3, and the price of a \$20 suit increased \$5.

#### *Advance in Cost, \$1; Advance in Price, \$5.*

It requires about 3 1-3 yards of cloth to make the average suit of clothes. Three and one-third times 20 cents is 66 2-3 cents. This should be the full measure of increase in the cost of a suit of clothes, because it represents the increase in the cost of the raw material, which is the only factor in the cost of construction during the last year. But we will exceed the limits of generosity and admit that the cloth which enters into a \$20 suit of clothes has advanced \$1 during the last year. By what rule of right or process of logic can the National Clothiers' Association increase the cost of a suit of clothes \$5 when there is only \$1 additional value in the cost of the raw material out of which it is made? It is too apparent for concealment, that they are trying to enrich themselves and charge the wool-grower with the responsibility for their action. I have given you a computation showing the increase in the value of a suit of clothes because of the advanced price of wool. I now desire to submit absolute proof of my proposition. The woolen manufacturers of the United States are only

charging the makers of clothing 50 to 75 cents additional for sufficient cloth to make the average suit of clothes.

*Relation of Tariff to Cost and Selling Prices.*

Mr. Speaker, there is a popular misapprehension of the relation between the Tariff on wool and the cost of clothing. A duty of 11 cents per pound on wool would amount to less than \$1 on a \$20 suit of clothes. The cost of cloth on an average is less than 25 per cent of the price charged against the consumer. Good worsted cloth, which is at present the fashionable fabric, every fiber in it being pure new wool, for this season's wear has been selling at wholesale from the factory at \$1 per yard, so that enough cloth (3 1-3 yards 1½ yards wide) to make a full suit of clothes costs the clothing maker but \$3.33. A suit of clothes made from this cloth would sell at retail to the wearer at from \$12 to \$18; thus the total cost at wholesale from the mill of the cloth in a suit of ready-to-wear clothes averages less than 25 per cent of the price which the wearer pays for it. This relation of cloth to retail price for clothing applies also to better grades of cloth and clothing; say a 3-piece suit at \$12—the cost of the cloth is about \$3; a 3-piece suit at \$15—the cost of the cloth is about \$3.75; a 3-piece suit at \$20—the cost of the cloth is about \$5; a 3-piece suit at \$30—the cost of the cloth is about \$7.50; a 3-piece suit at \$40—the cost of the cloth is about \$10; a 3-piece suit at \$50—the cost of the cloth is about \$12.50; a 3-piece suit at \$60—the cost of the cloth is about \$15.

*Who Gets the Increase in the Price of a Suit of Clothes?*

The National Clothiers' Association state that the price of cloth has increased 25 per cent, and therefore it is necessary to increase the price of a suit of clothes 25 per cent. Admitting, as they must, that the only increase in cost is the advance in the price of raw material, no method of computation will sustain their contention. Three dollars is the cost of cloth in a \$12 suit. Twenty-five per cent of \$3 is 75 cents. That should mark the increase in cost on a \$12 suit. Instead

of that the National Clothiers' Association state that they will be compelled to increase the price of a \$12 suit to \$15. Who gets the \$2.25 not represented by the increased value of the cloth?

The cost of cloth in a \$20 suit of clothes is \$5. Twenty-five per cent of \$5 is \$1.25. These figures should mark the extreme limit of advance in a \$20 suit of clothes. The association state that they will be compelled to increase the price of a \$20 suit of clothes to \$25. The public would like to know what becomes of the \$3.75 not represented by the increased cost of the raw material.

*The Tariff Revision Pledge Redeemed.*

True to our traditions, the Congress has vindicated American character and risen to the demands of the emergency. Personal ambitions, partisan considerations, and sectional differences have been submerged in the exalted resolution to write in public statute the people's will. While many schedules have occasioned impassioned controversy, the great principle of Protection underlying our commercial supremacy has been preserved. The pledges of the platform and of our candidate for the Presidency have been redeemed. There has been a substantial revision downward in the interests of the American consumer. No American industry has been sacrificed in this measure. Ample Protection is afforded for all legitimate purposes. Let the Tariff agitation cease. Let peace be within our walls and prosperity will be the heritage of our people.

**The American People Will Look with Marked Impatience on Any Project or Plan that Will Disturb Business Conditions.**

*From the Congressional Record of August 4, 1909.*

EUGENE HALE, of Maine. Mr. President, for the last two or three days I have been engrossed in the consideration of the very important urgent deficiency appropriation bill; I have been engaged in conference upon that bill, which has a great many provisions of marked and general importance. This has kept me from the

Senate Chamber. I drifted in here a little while ago and found the discussion proceeding upon the proposition of the Senator from Indiana [Mr. Beveridge] for a regularly organized Tariff commission.

Mr. President, I look upon all discussion at this stage as academic, and while interesting not profitable. The merit or the demerit of the Tariff bill, which I assume will soon become law, no man can forecast in its effect on the public. Whether it will be accepted, whether prosperity will follow in its wake, and business will revive and labor be employed, and instead of men going about the streets unoccupied and clamorous they will be engaged in the different and diversified businesses of the country no man can tell. I can not tell. The Senator from Texas [Mr. Bailey], who faces me, and whose mind is constantly brought in attention to this matter, can not tell. The Senator from Indiana [Mr. Beveridge], with all his power of forecasting and with his estimate of the tremendous progress that his ideas have made in the last six months, can not tell about the future.

But one thing is certain, Mr. President, and that is that when this bill passes and is put to the test of public sentiment, and shall work out its own way, to its own credit or its own ruin, the American people for ten years, notwithstanding the declaration of the Senator from Indiana that everybody is for a Tariff commission, will look with marked impatience and will frown at any project or any plan or any tribunal that will disturb business conditions.

#### *The Foundation of the Opposition.*

That is the foundation of the objection and the opposition that has been made and is being made and will be made to any tribunal that shall, when this matter is settled by the bill, in any form, by any authority, seek to open all the questions that the Tariff settles. That is the foundation of the objection and the opposition that is made to the revival of a Tariff commission.

The bill must take its course. The bill must take its place with the American people, for good or for ill. I believe that it will be followed by a revival of business, by an accepta-

tion by the American people of its provisions, and that the murmuring and the discontent and the prophesyings of evil will die away in the course of the next year.

But I have lived long enough, Mr. President, to know that I may be wholly wrong. It may be just the reverse. If it is, it is not any Tariff commission that will settle this question in the future. It will be Congress that will settle it; it will be the House primarily and the Senate secondarily; and no Tariff commission will add one ounce of weight to the deliberations of the two bodies which must at last settle all these questions.

#### *Did Not Cover the Scheme of a Tariff Commission.*

That is the foundation; that is at the bottom of the legislation which is incorporated in the Tariff bill. Language can not be plainer. As it went to conference this was the language:

To secure information to assist the President in the discharge of the duties imposed upon him by this section, and information which shall be useful to Congress in Tariff legislation—

Mark—

and to the officers of the Government in the administration of the customs laws, the President is hereby authorized to employ such persons as may be required to make thorough investigations and examinations into the production, commerce, and trade of the United States and foreign countries, and all conditions affecting the same.

Even with that language I entered my protest that it did not cover the scheme of a Tariff commission, and that if it did, with the unsettling result of any Tariff commission, the constant agitation, the constant keeping of the subject open before the American people, I would not vote for it.

But in conference that provision was revolutionized, and everything in it that contemplated either a Tariff commission or the keeping open of the subject-matter was deliberately, by the conference, stripped from its provisions and excluded.

To secure information to assist the President in the discharge of the duties imposed upon him by this section, and information which will be useful to Congress in Tariff legislation—

#### *Senator Aldrich's Understanding.*

Mr. BEVERIDGE. It was in answer



to a question by the Senator from Nevada:

Mr. ALDRICH. The inclusion of the words was a compromise between the two Houses. I will say to the Senator from Nevada, of course with due deference to his judgment to the contrary, that the provision contained in the bill itself is even broader than it was in the Senate, in my judgment. It allows the President to employ whoever he pleases without limit and to assign such duties to them as he sees fit within the limitation of the maximum and minimum provisions and to assist the customs officers in the discharge of their duties. Now, these two purposes, especially the latter, cover every conceivable question that is covered by Tariff legislation.

Mr. NEWLANDS. May I ask the Senator whether the provision as it comes from the conferees and is contained in the conference report will warrant the President in appointing men who will inquire into and ascertain the difference in the cost of production at home and abroad of the articles covered by the Tariff.

Mr. ALDRICH. Unquestionably it will, for the reason that under the law, as it will pass in a few days, I hope, the home valuation as well as the foreign valuation of goods is a matter which has to be determined by the customs officers, and that involves, of course, all collateral questions. I have no doubt myself that the provision as it now stands is, as I have already stated, even broader than the provision which passed the Senate.

I thought the Senator would like to have me read that.

#### *Senator Hale Disagrees.*

Mr. HALE. Mr. President, I am very glad to follow the Senator from Rhode Island. None of us in the conduct and the management of this bill could have added anything to the distinguished ability which that Senator has displayed on this floor. I realize that. But I do not, Mr. President, in the slightest degree agree with the proposition that this provision, as embodied as the result of the conferees' deliberation, is either a broadening of the original Senate proposition or is in any way committing Congress or the legislation embodied in the Tariff bill to that proposition. It is precisely the reverse. You can have nothing that shows more clearly the intent of the provision than the striking out of the words "and information which shall be useful to Congress in Tariff legislation." That was not done unadvisedly; it was not done in the dark; it was not done with any doubt as to what its purpose was.

But the Senate conferees found the

House conferees a rock against any form not only of Tariff commission, but of any authority that should be given for any officer of the Government to keep this subject open. The intention was to dispose of it and settle it by the provision, and not only was that stricken out, but the other clause—

#### *What the Conference Committee Struck Out.*

To employ such persons as may be required to make thorough investigations and examinations into the production, commerce, and trade of the United States and foreign countries, and all conditions affecting the same.

Were the conferees blind and deaf? They certainly were not dumb, because they expressed their views in striking out of the provision the authority to be given to the President to go into that subject-matter, and they limited the President in terms to this:

To secure information to assist the President in the discharge of the duties imposed upon him by this section and the officers of the Government in the administration of the customs laws, the President is hereby authorized to employ such persons as may be required.

Language can not give a more restricted scope to the authority on the part of the President under this provision. What is that authority, Mr. President?

#### *What Is the Business of the President*

under the maximum and minimum provision? It is not to inquire into the condition of labor in other countries the relative cost of labor there and here. He is limited to an inquiry as to the discrimination that is made by other countries against the United States. He so understands it. I understand that he so understands it. I do not believe and I do not expect and I do not fear that the President would seek to amplify this authority.

Mr. CLAY. With the Senator's permission, while on that subject, as I understand the maximum and minimum feature of the bill, on the 31st day of March 25 per cent additional duties will be added to all the items in the bill unless the President of the United States should issue his proclamation exempting the nations doing business with us from this increase.

I presume the Senator is familiar

with the views of the President, and I presume it will be the President's intention to exempt all nations from the operation of this 25 per cent additional taxation unless those nations actually discriminate against our country.

**Would Not Increase the Minimum Rate.**

Mr. HALE. That is true.

Mr. CLAY. Otherwise the maximum rate would make the bill very much an increase over the existing law. I should think at least that the President intends to exempt all the nations doing business with us from this taxation unless they discriminate against us by their Tariff laws.

Mr. HALE. The Senator has expressed the whole scope and range of that proposition. It is not whether labor costs more in another country than in this country. It is not whether they have enormous rates of taxation. If they have the same rates of taxation against us that they have against other countries and there is no discrimination, that is all the President is to inquire into. If he were to send abroad men to take into account the conditions of labor and the cost of labor, there would never be any end. The President has nothing whatever to do with that subject. No matter how extreme a Tariff measure may be, no matter what the rate of labor may be, no matter how absurdly high the rate of another country is, if it is the same against us as it is against all the world,

**The President Has No Power Over That,** and has no right to examine into it. He has nothing more to do with that question than the question of the corporation tax or the proud march of the waterways commission, which has captured the imagination of the Senator from Nevada. He deals simply with the question under this provision of discrimination. Does not the Senator from Texas [Mr. Bailey], who studies all these subjects, see just as plainly as I do that that is the intention? So it has become settled.

I must express my absolute dissent from the interpretation the Senator from Rhode Island has given, as just read by the Senator from Indiana. The committee did not intend that, Mr. President. The com-

mittee used plain language, and it did not mean to use language that would be construed other than plain language. The committee was united, not only the House conferees, but all agreed to this proposition.

When this subject came up, Mr. President, as it does in the urgent deficiency bill, I went over this whole question with the President as to his scope of duties. I showed to him that it was not intended to keep this subject open, but to confine him to the question of discriminations, discriminating duties and discriminating processes by other powers. In framing the language of the item of appropriation that gives the President the amount of money that he asked it has been confined strictly to the language I have recited as a part of the Tariff act. I have no fear the President will undertake to exceed that. I do not believe that he will. I am in favor of giving him money.

**Opportunities Given to Our People Through the Policy of Protection.**

*From the Congressional Record of August 4, 1909.*

ROBERT J. GAMBLE, of South Dakota. A policy that has done so much for our material development and in the accumulation of such surpassing wealth, and has brought such prosperity to our people as a whole, should receive the most critical and painstaking care in the matters now in hand that in no way our prosperity should be endangered or the bulwark of Protection broken down, but the system strengthened and fortified to insure our future development and accomplishments.

I would not claim that our wonderful development and prosperity are alone due to the Protective policy of the Republican party. In my judgment, however, it has given the fullest and most enlarged opportunities to our own people to do their own work, to employ their own capital, to maintain and preserve their own market, and not to suffer displacement in either in the world's competition. It has reserved to the American wage-earner unequalled opportunities and has Protected him against foreign competition and the lower level of

wages and of living in other lands. Under any economic system our first concern should be the Protection of the home market.

Our annual production is enormous, and this system has Protected labor, given it employment at the highest rate of wages paid anywhere, and our consuming power not only of the raw but of the manufactured products far surpasses that of any other people. Our production for last year was substantially as follows:

Farm productions .....	\$8,000,000,000
Mineral productions .....	2,000,000,000
Forests and fisheries .....	1,000,000,000
Manufactured products ....	15,000,000,000
<b>Total .....</b>	<b>\$26,000,000,000</b>

Of this enormous production, we consume practically 94 per cent, leaving only 6 per cent to be exported. Our home market therefore, representing such a great aggregate, should have our first concern and at all hazards should be Protected against undue foreign competition. In no way should the rates of duty be lowered that our foreign competitor may enter our market and take advantage of our own labor and imperil the investment of our capital engaged in the production of our enormous manufactured product or in any way endanger a system and condition that has brought about such marvelous results.

### *The Republican Party Faithful to Its Pledge.*

The Republican party was intrusted by the country to do its duty in this particular. The country repudiated the promises of the opposition in the last national election and confided this supreme responsibility to a Republican Congress and to their leader, the President of the United States.

Had the bill failed then, or should it fail now, it occurs to me, there would be little hope of a successful solution of the question during the present Congress. I felt the wise course was to vote for the measure in the first instance, which meant passing it one step further on its course to completion, and that it should be thrown into conference. I believed as a result of the conference the bill would be made to more nearly meet the demands of the party and comply with the spirit and intent of the plat-

form. As a result we have the completed bill before us. It is supported by a large Republican majority. It has the approval of the President, who was the standard bearer of the party in the last campaign and is now its leader. He feels its provisions are in compliance with the party platform and the pledge he, as well as the party, made during the campaign that led to his triumphant election. To defeat the measure would disorganize the party, destroy the possibility of a successful administration, and overwhelm it in the first great measure the party has undertaken with the active co-operation and help of the President himself.

Mr. President, the proposed measure in the different stages through which it has passed has received careful, painstaking, and patriotic consideration, involving as it does matters of such tremendous importance to the welfare and prosperity of our whole people that now as completed, I hope, gives expression to the party pledge and will meet as near as may be with the approval of the country, do justice to every interest, and bring prosperity and unmeasured development to our whole industrial and commercial life.

### **26,000,000 Laboring Men in This Country Who Have Nothing but Their Labor to Sell.**

*From the Congressional Record of August 4, 1909.*

NATHAN B. SCOTT, of West Virginia. I suppose I am really what might now be called "an old-fashioned Protectionist." I have always believed that the doctrines of the Republican party were that we should provide, through suitable revenue duties on imported articles, sufficient funds to pay the running expenses of the Government and to Protect the workmen of this country against the poorer-paid labor of Europe. We have, Mr. President, 26,000,000 laboring men in this country who have nothing but their labor to sell. You might call it their "raw material," and I have always felt that it was the duty of those of us who are in a position to

make laws and legislate for the good of our country to do so in such a way as to give to these men of brawn the best market in which to sell their commodity; that is, their labor. In order to do this, Mr. President, I think it is our duty to keep out goods made by the cheap labor of Europe. In the reduction in the duty on many articles in this bill I fear we have endangered the welfare of the laboring people of this country.

If the principle of Protection is right—and I have always believed it was—then it is just as essential that I should vote for a duty on shoes or a duty on cutlery for those who manufacture these articles in New England as it is for me to vote for a duty on coal, oil, lumber, and other commodities in my State. My observation has been that where the Government of the United States has put a Protection upon a certain line of manufactured goods and has allowed the inventive genius of the American people and the mechanics to perfect machinery and lessen the cost of production, it has always resulted in the lowering of prices to the consumer. The fact that American machinery is being shipped to Japan to make shoes, the fact that cutters who are familiar with the styles and shape of the shoes made in this country have been sent to Germany, makes me fearful that in a few years the labor engaged in producing shoes will have to look for other occupations. The fact that we reduce the duty on iron ore will enable the ore from Cuba and from Spain to come into this country, and the miner of iron ore in Michigan, Minnesota, and other States will be looking for work in other fields than those of ore mining. The reduction of the duty on lumber of all kinds, in my opinion, will compel those who are working in the forests of Washington, West Virginia, and other States to go to Canada in order to find permanent employment.

It should be

*Our Duty as Good Americans and as Good  
Republicans*

to see to it that our fellow-man in this country, who has nothing but his labor to sell, should be given the highest market possible in which to

sell it, in order that he might be able to better care for himself, his wife, and children.

Mr. President, the true position in which to place oneself is that of the other man, and then we should ask ourselves if the conditions were reversed what would we wish the other fellow to do for us? Those of us on the floor of the Senate of the United States may not have labor to sell, but we do have a responsibility to provide the best market for those who do have that commodity for sale. Have we done so? Each Senator must answer for himself. As for me, I have no apology to make for any vote I have cast on this bill. I accept it as the best we can get under the present circumstances.

MR. WARREN. Mr. President, before the Senator from West Virginia takes his seat, I want to ask him a question. There has been a great deal of talk and a great many statements in the newspapers about the demand for free raw material. It is said that there is such a growing demand that we ought to meet it and make raw materials free. I do not believe the Senator espouses that idea; but I should like an avowal from him whether he does or does not.

MR. SCOTT. I do not, sir. Most emphatically I do not. There is no such thing as raw material.

**The Entering Wedge of the Doctrine  
of Free Raw Material.**

*From the Congressional Record of August 5,  
1909.*

FRANCIS E. WARREN, of Wyoming. Mr. President, although I am considered, perhaps, a high Protectionist and "a regular" in favor of Republican measures, I find myself not an enthusiast indorser of this bill. It doubtless has many commendable features, but it carries a higher rate of Protection than I can indorse, in some particulars, a few of which I intend to mention, and it also tends to insert the entering wedge of the doctrine of free raw material.

In other words, free raw material means the finished product of the farmer, if we may accept the term as given by the people of certain manufacturing localities. The finished

product of the farmer, such as wool, hides, or whatever it may be, whether it takes one year or three years to produce it, must be entirely stripped of all the benefits of either a Protective or a revenue Tariff, while the manufacturer only takes the product along a few stages toward the consumer and may complete his operations within a few weeks or a few months, because, in my opinion, what may be a finished product of one manufacturer is still raw material for another.

While it may be raw material to the manufacturer, it is no less a finished product of the farmer, as cloth, while it may be free raw material to the tailor, is yet the finished product of the manufacturer.

This general onslaught and demand for free raw materials which comes from outside of this Chamber, and which has finally resulted in the farmer alone furnishing the one sacrifice, will plainly demonstrate to the farmer that this is but the entering wedge toward taking away from him every scintilla of Protection which the present laws afford him.

The same may be said of the miner. There are millions of these sturdy men who are working beneath the ground who are directly affected with this shibboleth of free raw materials, which seems to be the newest fad in certain quarters. How long, I ask, can a Protective Tariff be maintained amongst these miners when this free-raw-material idea is pushed along and enlarged to take in coal and lead and other minerals?

Mr. DICK. Mr. President, no State in the Union is more devoted to the policy of Protection than is Ohio. Ohio does not possess great herds; she does not mine iron ore; she does not have great forests of lumber; but she is against the policy of free raw materials; she realizes that in the doctrine of free raw materials lies

### *The Greatest Menace to the Protective Policy.*

Our manufacturers, with few exceptions, realize that free raw materials can bring but one ultimate result; and that is free manufactures.

Mr. WARREN. Mr. President, I should like to ask the distinguished

Senator from Rhode Island [Mr. Aldrich], the chairman of the Committee on Finance, whether this late doctrine of free raw materials, which in certain quarters seems to be advanced and entertained, is one which he thinks the Republican party should accept and follow?

Mr. ALDRICH. Mr. President, I know of no Republicans and no Protectionists who are in favor of the doctrine of free raw materials as understood by Mr. Mills and Mr. Cleveland and the gentlemen who were associated with them in the promulgation of that doctrine.

Mr. SMITH, of Michigan. Mr. President, I think I understand the attitude of the Senator from Wyoming, but I make it distinctly and emphatically clear upon this point that it is perfectly idle for us to strike down the duty upon any manufactured product, in the making of which thousands of American citizens are employed at good wages, and give to foreigners, who maintain a higher Tariff than our own, an exclusive market for their products within their own country, and give them an unrestricted opportunity here.

Mr. WARREN. And, Mr. President, it is just as idle and it is just as wicked and it is just as bad in every respect to strike down the workmen that are engaged with the farmer in raising certain supplies which go into the manufacture of shoes.

### *The Cost of Production Fallacy.*

Mr. SMITH, of Michigan. I have listened during this debate over and over again to the statement that we should have such Protection as would measure the difference between the cost of our products and the cost of European products. Why, Mr. President, you would have to regulate and readjust your Tariff almost every twenty-four hours if you based it upon any such whimsical proposition as that. I took up last night the report, which is now in the hands of the Senator from Mississippi [Mr. McLaurin], of the various boards of trade in Germany, and I find there is just as much difference of opinion among the German boards of trade as to what it costs to produce an article there as there is difference of opinion

among our people as to what it costs to produce an article there.

Mr. WARREN. I want to ask that stand-pat Republican, the junior Senator from West Virginia [Mr. Scott], a question. There has been a great deal of talk and a great many statements in the newspapers about the demand for free raw material. It is said that there is such a growing demand that we ought to meet it and make raw materials free. I do not believe the Senator espouses that idea; but I should like an avowal from him whether he does or does not.

Mr. SCOTT. I do not, sir. Most emphatically I do not. There is no such thing as raw material.

Mr. WARREN. I see the veteran Senator from New Hampshire [Mr. Gallinger] in front of me. I only desire to ask him if he is ready to say that we ought to make the farmers' products "free raw materials?"

Mr. GALLINGER. Mr. President, I did not intend to be drawn into this discussion at all. I am so completely saturated with the oratory of others that I thought I would keep quiet. But I am pleased to answer the interrogatory of the Senator from Wyoming.

For more than thirty years I have been, to the best of my ability, saying to the people of my State and some other States that the doctrine of free raw materials was

### *A Fallacy Which the Republican Party Could Not Afford to Adopt.*

Twenty-two years ago it was my privilege to make in the House of Representatives some observations on the Tariff, where I treated the subject of raw materials to some extent, and fifteen years ago in this Chamber I spoke on the Tariff to a greater length possibly than I ought to have done, and I recall the fact that I made some mention of the free raw material doctrine in that speech. I chance to have that speech in my desk, and I will read one paragraph of what I said on that subject at that time. It was in these words:

For several years they have been crying for "free raw materials."

Give us free raw materials and we will capture the markets of the world.

They have, indeed, never been able to make it clear what they mean by raw materials. They apparently forget that

the moment labor has been expended upon an article that moment it ceases to be raw material and becomes somebody's finished product.

Wool is the farmer's finished product as soon as it is clipped from the sheep; but it is then the cloth manufacturer's raw material. When he has woven it into cloth, it is his finished product; but it is then the tailor's raw material. What then are raw materials? They are materials just as we find them in nature, before any labor whatever has been expended upon them—such as iron ore or coal in the mountain, or standing trees in the forest.

Now, the Free-Trader wants all these, and similar articles, admitted free of duty, and feels deeply aggrieved because they are subjected to a Protective duty when brought here. He evidently thinks it would be better to get his wool from South America or Australia; his coal from Nova Scotia; his lead from Mexico; his tin from Wales, etc., rather than, by the help of a Protective Tariff, develop these industries from our own native resources.

The Protectionist believes the latter course much the better for our country, because it thereby develops our own resources, gives remunerative wages to our own workmen, affords fair returns to our own capital, and keeps in our own country the money that would otherwise go abroad to pay for such materials and labor; and also because it prevents the reduction of the wages of our own working people nearly or quite 50 per cent to the level of the cheap foreign labor.

Mr. President, that answers the Senator's question, and I will say to him that I stand by that doctrine to-day just as firmly as I stood by it fifteen years ago.

As a Protectionist I voted against putting so-called raw materials on the free list during the consideration of this bill, and notwithstanding I was in opposition to a tremendous sentiment in my own State, I voted to retain hides on the dutiable list, believing that the Western farmers had a right to demand that at our hands.

### **In the Last Democratic Tariff Revision Period Sheep Went Unsheared for Four Years and Their Wool Was Two Feet Long.**

*From the Congressional Record of August 5, 1909.*

MARTIN N. JOHNSON, of North Dakota. Mr. President, the time for discussion is past, yet I do not feel like leaving the false standard erected by the Senator from Oklahoma [Mr. Gore] as the last words said by which to test the Tariff law. The American

people will test it by no such false standards. The Senator would have us believe that that test will be whether prices will be lower and wages lower next year. That is not the kind of a law we have passed.

I remember very well when the Senator's party was in power and passed a Tariff law for the deliberate purpose of making things cheap. They succeeded, and we knew that they would succeed in doing that.

There is something beyond that. The question is, Will it produce prosperity and happiness? I remember seeing, when that law was in force, a carload of wool standing on the Northern Pacific Railroad ready to ship. It was not put into the train for this reason: The Northern Pacific wanted somebody to pay the freight in advance or to guarantee the freight, because they were not sure that that wool would sell for enough in the market to pay the freight.

The same thing was true at Dickinson, in North Dakota. The Northern Pacific Railroad Company would not move a carload of sheep until the freight was paid in advance, because they were not sure that the sheep would sell for enough to pay the freight when they got to Chicago.

#### *When There Was No Market for Wool.*

The sheep owners in Arizona hired a lot of sheep-shearers, assuming that they could get money out of the wool when they got the sheep sheared, by trading with the commission merchants. They found that they could not draw on that wool, and there was riot and bloodshed among those sheep-shearers, because honest men, intending to pay them, could not raise the money on the wool to pay for the shearing.

There was other evidence before the House committee in 1897 proving that sheep had not been sheared for four years, and they had wool on them 2 feet long.

I know that in those years 200 men—good, honest men, glad to work and willing to work—applied at my back door, first for work and then for bread. I could not furnish them work, but supplied them with bread as far as I could. Wages were cheap and bread was cheap and wheat was cheap.

We do not promise anything of that kind. The true test with the American people in applying this law is, Will it be easier to get bread, will it be easier to get woolen clothing, and will it be easier to get cotton clothing? That is the true test.

#### *The Lower the Tariff the Higher the Price.*

I want to take up just two items, shoes and woolen cloth. The Times, of this city, took an apparent census of the opinion of shoe dealers of this city and of Baltimore and Philadelphia. They all agreed that they would have to raise the price of shoes from 10 to 20 per cent on account of the new Tariff, and that would mean from 50 cents to a dollar a pair. Notwithstanding the fact that we have reduced the duty on shoes from 25 per cent to 10 per cent, these men would make people believe that on account of the Tariff they will have to raise the price on a pair of shoes from 50 cents to a dollar. With a duty of 15 per cent on the leather that enters into a pair of shoes it would not average over 2 cents a pair. If there is any Tariff question affecting those men they should reduce the price on account of the reduced Tariff on leather 2 cents on a pair of shoes.

Now, then, as to woolen cloth. There has been no advance whatever in the woolen schedule. There has been a slight reduction on one kind of yarn, but there has been no advance. Yet the Senator from Wisconsin [Mr. La Follette] stood on this floor on the 8th of July, and read a letter from a combination of clothing dealers stating that on account of the new Tariff they would be compelled to raise the price of clothing to the American people to the amount of \$200,000,000 a year.

#### *Political Lies.*

Nobody blames those people for wanting to make money out of selling cloth; nobody has any ill will toward them; but nobody would believe that it is a valid excuse for raising the price of woolen cloth. Nobody would give them the \$200,000,000 of clear profit except for political lies; and when those political lies get the indorsement of Senators on this floor it will deceive a great many of the American people and they will prob-

ably pay the \$200,000,000, or a part of it, and these dealers will declare a handsome dividend. Many people will be misled, not by the original statement of those dealers, but by its indorsement by Senators, and they will pay money, which will add to the profit of the dealers.

### The Absolute Necessity for Protective Duties on Wool.

*From the Congressional Record of August 5, 1909.*

THOMAS H. CARTER, of Montana. The maintenance of an adequate duty on wool is justified by every consideration that ever has been or ever can be urged in support of a Protective Tariff.

First. Because wool can not be profitably produced here in open competition with the cheap labor of competing countries.

Second. Because from the standpoint of broad, enlightened public policy we are gravely concerned in developing and preserving a reliable home supply of the material out of which clothing is made.

Third. Because sheep husbandry is the foundation upon which widespread and highly diversified industries prosper and furnish profitable employment to labor.

Fourth. Because by encouraging woolgrowing we insure the enlargement of a steady and valuable source of food supply, and, finally because woolgrowing is an American industry conducted by American yeomen and therefore entitled to Protection against unequal foreign competition.

More reference to the history of the industry and its ups and downs under the various Tariff schedules and court decisions of the last forty-two years should be accepted as demonstrating the absolute necessity for adequate Protective duties, and, further still, that inadequate duties are no better than free wool. But, Mr. President, the underlying facts account for and support the historical lessons.

The woolgrowers have prospered handsomely and are doing well under the existing law which I seek to continue. Within the period covered by the Dingley Act the number of sheep in this country has increased from 37,000,000 to over 56,000,000, and wool

production has increased from 250,000,000 to over 311,000,000 pounds.

Experiments are always fraught with danger and certainly should be entered upon with great caution. The present law is not experimental. We know what results will be under the Dingley wool schedules by what results have been under that act. Taking into account the experience of years, the large proportions and widely diffused character of the industry, the number of persons engaged in and dependent upon its successful prosecution, I find no room to doubt that it is my duty to insist that the schedules under which the industry has prospered shall be maintained.

The census of 1900 reports that on June 1 of that year sheep were kept on 763,543 farms in the United States, and I submit that with due allowance for growth, as shown by the Government reports, we now have over 800,000 farms devoted in whole or in part to sheep husbandry, making an aggregate of at least 4,000,000 of country people wholly or partially interested in and dependent upon sheep raising. For and in behalf of this body of worthy citizens I plead for a continuance of the law under which prosperity has blessed their efforts.

### Would Point Out to the People of Iowa the Results of a Generation of the Protective Policy.

*From the Congressional Record of August 6, 1909.*

NELSON W. ALDRICH, of Rhode Island. It was not my good fortune to hear the whole of the Senator's statement, but I hope he has been more correct or nearer correct in the statements with reference to the other schedules than he has with reference to the woolen schedule. There are three changes in the woolen schedule, all upon the manufactures of wool—one upon woolen cloths, one upon woolen yarns, and one upon woolen tops—and no changes upon waxes of any kind.

Mr. CUMMINS. Mr. President, will the Senator from Rhode Island point out the change upon woolen cloth and say what it is?

Mr. ALDRICH. A change on wom-



en's and children's dress goods weighing over 4 ounces a square yard, being a reduction of 5 per cent; not a very large reduction—

Mr. CUMMINS. Precisely.

Mr. ALDRICH. But still a reduction.

Mr. CUMMINS. The Senator will remember that I used the word "substantial."

Mr. ALDRICH. I understood the Senator to say that there have been no changes in anything except wastes.

Mr. CUMMINS. I said "substantially unchanged." I repeat it is "substantially unchanged."

Mr. ALDRICH. What, in the Senator's opinion, would be a substantial change?

Mr. CUMMINS. I am sure the Senator from Rhode Island will not claim that there has been any substantial revision of the woolen schedule downward.

***There Should Be No Reduction Below Protective Lines.***

Mr. ALDRICH. Mr. President, I do not know what the Senator would call a substantial change. The Senator, as I understand, is pursuing an argument to show that there has been no revision downward in this bill. As compared to the existing law, there are 500 items of reduction in the bill as it now stands upon the desks of Senators. I do not know what the Senator from Iowa expects or what the people of Iowa expect in the way of reductions. I trust that there have been no reductions which have established duties below Protective lines. I do not understand that we are assembled here for any such purpose as that. Perhaps the Senator from Iowa came here for that purpose; I did not. There are 500 reductions in items in the bill as it now stands before the Senate below the rates in the present law. I do not know whether that, in the mind of the Senator from Iowa, is substantial or not.

Mr. CUMMINS. Mr. President, I said in the very beginning that this bill was better than any bill that could be framed upon any other than Protective principles; better than any bill that could be framed upon the doctrine of a Tariff for revenue only. That is about its only merit. I hope

sincerely that next year the Senator from Rhode Island will come into Iowa; and I now extend him a most cordial invitation to help me convince the people of Iowa what is true, honest, fair Protection to American industries and American interests. I hope he will come there and join with me in the effort to make our laws so that we will preserve the rights of American laborers, not only filtered through their rapacious employers, but will help me put other safeguards around their privileges and around their homes.

***Glad To Accept the Invitation.***

Mr. ALDRICH. Mr. President, if I have the opportunity I shall only be too glad to accept the invitation of the Senator from Iowa; and I would go before the people of that community, intelligent as they are, and I would point out to them the results of a generation of the Protective policy, which has made that people the most prosperous in the world, and the richest, gauged by per capita wealth—I mean wealth in its highest and best sense. I say to the Senator from Iowa that that people have sustained heretofore the policy of Protection. In this Chamber and in the other they have been represented by men who were Protectionists, who did not hesitate to vote for Protective duties; and the time will come, if it is not here now, when that people will appreciate, as the other people of the United States will appreciate, the benefits of the doctrine of Protection and its policy as exemplified in the legislation of this Congress.

The people of Iowa in the past have been drinking from the fountain of truth; they have heard the doctrine of truth from a man who was honored in this body by his services of more than thirty years; and I am quite sure that the teachings of that man are not forgotten in Iowa even at the present moment.

Mr. President, of course I understand that I should be at a great disadvantage in talking to the farmers of Iowa with regard to Protection as compared with the Senator from that State. But if Protection is of any benefit to the people of any country or to any portion of the people of this country, the principal beneficiaries are

the farmers and the people with whom they are associated. They are, in my judgment, not only the principal beneficiaries, but they have been in this country beneficiaries to an extent which has never been equaled by any class of people in any country in the world.

*What Iowa Lands Are Worth To-day.*

I remember very well, when I was a boy, hearing about the lands in Iowa. Some of the people of my State were very largely interested in farm lands in Iowa. They held mortgages on a large quantity of those lands. What has become of those mortgages, and what has become of those lands? They were then worth from three to five dollars an acre. What are they worth to-day? The people of Iowa, the farmers of Iowa, were then the debtors of the East. What are they to-day? They are furnishing the money that develops the industries of the United States, not only of the West and of the Middle West, but of every section and part of this country. They are no longer the debtors of any class anywhere. They are rich in everything which makes people great, and, in my judgment, they are not quibbling as to whether the rates of a Protective Tariff are 1 per cent too low or 1 per cent too high. It is the great policy of Protection which they are supporting and which they have ever supported in every presidential election which has ever taken place. I do not believe that they will be led in the future by any sophistical statement that the rates in this bill are not as low as they ought to be to desert the principles of Protection and to desert the flag of the party that has made those principles and that policy possible.

Mr. CUMMINS. Mr. President, it is very certain that

*The Republicans of Iowa Will Not Desert Their Party.*

You will always find them in the first rank.

It is not for any Senator here to impugn the loyalty and the steadfastness of Iowa Republicans. They are just as firmly attached to the Republican doctrine of Protection as is the Senator from Rhode Island, and they will be at the camp fire watching, de-

fending this doctrine of our party when others have gone weary to their rest. Do not doubt Iowa Republicanism; nor will Iowa Republicans quibble about 1 per cent or 2 per cent or 3 per cent. They are not nice and critical with respect to Protective duties. But they do want the doctrine of their platform fairly and honestly enforced, and they will have it enforced, for I believe that the conscience and the judgment of the American people are with them.

Mr. ALDRICH. I remember the campaign of 1896, and the events which led up to it. I remember, because I was here, the adoption of the Tariff act of 1890, known as the "McKinley bill." I remember the opposition which came to that bill from all over the country, that the Republicans in Congress had violated the principles of their party by advancing duties beyond a reasonable height. The criticisms which were made upon the McKinley bill, of the same nature as those which are now being made upon this bill,

*Drove the Republican Party Into Defeat.*

Major McKinley was defeated. He was defeated in his own district—a Republican district. I think there were but 88 Republican Members of the House. The others were defeated on account of the misrepresentations, the palpable misrepresentations, of the character of the McKinley act.

What happened? The stone which the builders rejected became the headstone of the corner, and William McKinley, on account of his devotion to the great principles of Protection, and on account of his connection with that much-maligned act of 1890, was elected President of the United States, and the policy which these gentlemen had talked about as presenting high rates of duty, this policy, which was rejected by reformers of all classes, became the principle and the policy of the American people; and in my judgment they will never be led to desert it by any class of reformers misrepresenting the nature of Protective legislation and its results.

If the Senator from Iowa and those who are acting with him in this respect are correct, and if this bill levies duties upon the people of the United States which are excessive, then they

ought to vote with the Senator from Iowa to displace the Republican party from power and put Tariff reformers in their places.

Mr. CUMMINS. I have so dear a regard for the fortunes of the Republican party, for the welfare of the people of the United States, that I can hope with the Senator from Rhode Island that I am mistaken, and that the people will enter judgment against my views. But I do not believe that the Republican voters of the United States will reach the conclusion that these duties are properly adjusted. I do not believe they will regard these duties as the fulfillment of the promises we made in the Chicago platform, and I do believe that with a voice that no Senator dare disobey, no Representative dare disobey, in the near future we will be required to readjust some of the inequalities, and remove some of the injustices from this measure.

Mr. ALDRICH. From whom does the Senator from Iowa expect that mandate? From the great majority of the Republican party? From the people who represent it in this Chamber and in the House of Representatives and in the executive chair? Or does he expect it from a minority, respectable and able and conscientious?

#### *Who Is To Give This Mandate*

for a change in this act and for revision downward to an extent that will satisfy the Senator from Iowa? Whence will come the word? Will it come from the great majority of the Republican party, stretched across from California to Maine, or will it come from a class of conscientious, theoretical, if you will permit the term, reformers?

Mr. CUMMINS. Misguided.

Mr. ALDRICH. Oh, I will not say misguided, because I admire the consistency of the Senator from Iowa. I have had occasion several times on this floor to say that I honor a man who believes that low Tariffs are better than high Tariffs, and who has the courage, as a Republican, to say so against the opinions and the wishes and the judgment of the great majority of his party.

I honor a man who has the courage to stand up in the Senate of the Unit-

ed States and say that the great mass of his party are mistaken; that the President of the United States is mistaken, and this bill is a delusion and a sham; that we are the misguided people who are voting for what we understand to be the policy of the Republican party, a policy upon which the people of the United States have set the seal of approval many and many a time from 1856 to the last convention that was held, and, in my judgment, upon which they will continue to set their seal of approval in the future.

#### *An Advocate of Low Tariffs.*

No; I am not mistaken about the Senator from Iowa. I know that he has on every field and on every occasion sought to indoctrinate the people he represents and the people of the whole country with his idea that Tariffs should be reduced; that low Tariffs are necessary for the benefit of the people of the United States. I honor him for his courage, but I ask him as a Republican and as a Protectionist to give to those of us who disagree with him the right to our opinions and to our judgments; and if we remain as we are, the representatives of the great majority of the American people, then I ask him to submit, if he will, to the will of the majority.

Mr. CUMMINS. I am grateful for the expression of confidence in my motives. I began this address, which should have come to an end long ago, with the statement that I granted to every Senator the very same measure of honesty that I claim for myself. I have never at any time impugned or challenged the motive of any Senator in this body.

#### **Opposed to the Measure Because of the Methods by Which It Has Been Prepared.**

*From the Congressional Record of August 6, 1909.*

JONATHAN P. DOLLIVER, of Iowa. I have been charged here and elsewhere with a betrayal of the Protective-Tariff system, and the humble suggestions which I have felt it incumbent upon me to make have been met with a tone of malice and derision which ought not to intrude upon pro-

ceedings such as ours. Yet the fact stands that throughout this controversy from its beginning, I have never deviated from a lifelong devotion to the Protective-Tariff doctrine. I have not even been controlled by the views of the community in which I live in casting my votes in this session in exact accord, as I have understood it, with the Protective principle. The efforts I have made on this floor to modify some of these schedules, instead of being the efforts of a Free-Trade enthusiast or an enemy of the Tariff system, have been those of a consistent Protectionist, standing not only by the platform of his party, but by the historic standard which the party has interpreted in the legislation of the last thirty years.

I can not support this measure, because I am opposed to the methods by which it has been prepared. A distinguished leader of the Senate in the course of the debate took occasion to say that nobody ought to speak disrespectfully of the wool Tariff, of Schedule K, because it was the "citadel of Protection." I deny it. The citadel of Protection is in the judgment and good sense of the American people from one ocean to the other. The citadel of Protection is the right, which every American producer who invests his labor or his money in an industrial enterprise has, of living without being disturbed either in his employment or in his reasonable profit by the competition flowing into our market place from other lands. That is the citadel of Protection, which I shall defend in the future, as I have in all the years of my life, against all its enemies.

Mr. President, the Republican party, if I understand its history, is a great deal larger than the schedules of a Tariff law. There is room in it for every man's honest convictions. It did not arise merely to meet or solve problems of economy and finance. It has its fundamental doctrines as to both; but it is ridiculous to try to build the fame of its leaders in these days or to fix the party standing of its members by calling the roll upon the report of a conference committee on the disagreeing votes of the two Houses on a bill tinkering up a few minor details of an old Tariff law.

*The Party Has Larger Business Than This* in the immediate future. It must deal with problems of popular education. It must promote a better understanding between those who earn their bread by daily work and their employers. It must stand guard over the American market place to prevent capital, massed in great corporations, from exercising the evil influences which follow monopoly and the injurious restraint of trade. It must see to it that prejudices based on race and color are not permitted to degrade American labor, as slavery once degraded it. The Republican party is face to face, as in the days of its youth, with the elementary questions which concern justice and liberty.

Mr. President, from time to time during this session of Congress I have felt called upon to state my views on certain matters with which this measure deals. I have tried to defend the opinions which I have held in debate and to express my convictions with my recorded vote. For these things I have been called into judgment. I would not escape that judgment if I could. I am ready not only for the opinion of my own State, but for the opinion of the people everywhere. I have a special duty, however, to the constituency which gives me the right to sit here. I can not neglect that; I can not betray that. No pressure from any quarter can move my resolution to stand by their interests and to guard what I believe to be the welfare of that people and their children; and if through fidelity to that conviction, if in following that sense of duty, I am to be read out, here or elsewhere, from the goodly fellowship of the old Republican party, I shall hope to find in the dignity and self-respect of private life at least a partial reimbursement for the anxieties and burdens which for nearly twenty-five years have rested upon me in the service of the people of the United States.

### **The Protective Policy Is Overwhelmingly Intrenched in Public Favor.**

*From the Congressional Record of August 6, 1909.*

JAMES C. NEEDHAM, of California.

Those periods in our history when we are engaged in the readjustment of the duties on imports have always formed in a legislative sense the most important periods of our history. Alexander Hamilton in his famous Report on Manufactures gave to our country an economic policy which has proven in all the vicissitudes of our national life equal to every emergency.

Daniel Webster, with eloquence unequalled, made more secure in popular favor the Protective policy suggested by Hamilton. Henry Clay, Morrill, Blaine, McKinley, and Dingley, in the work which they did in writing into legislative enactments the great Tariff statutes of their periods, made the Protective policy the permanent policy of the Government. The Protective policy is overwhelmingly entrenched in public favor, and only its unreasonable application, or its extension where not needed, can weaken its hold upon the country.

Every ten years or so, owing to changed conditions in business and production, it becomes important to re-examine and readjust our Tariff schedules. These schedules are so inter-related and interdependent that it is the generally accepted method to treat the Tariff question as a whole, and the entire subject of import duties in a separate and distinct measure. Our Democratic friends some years ago attempted to ignore this method, to their great sorrow and discomfiture and political undoing. The attempt in the Morrison Tariff bill to reduce import duties horizontally and the attempt of the late William M. Springer, when chairman of the Committee on Ways and Means of a Democratic House, to revise the Tariff by special bills, each dealing with separate schedules, which bills became historically known as "popgun bills," both resulted disastrously to their authors and to the political party then in power. It has therefore in almost all instances been historically true that the Tariff question has been taken up periodically as a whole and dealt with in a separate measure, embracing all the industries of the country, and this method thus far has proven the most satisfactory. Whether this policy will be followed in the future as implicitly as in the past remains to be seen.

But, Mr. Speaker, there is no question that so intimately concerns the progress and prosperity of the country as our Tariff policy.

***The People of This Nation Are Wedded to the Policy of Protection.***

They understand its benefits, and above all they appreciate what it means whenever that policy has been abandoned. These publications and special writers, who began with confidence to attack the Tariff policy, with few exceptions suddenly awoke to a realization that an attack upon our Tariff policy after all would not be received by the great bulk of the American people without protest, and the attack has, generally speaking, fallen flat, and in most instances has been abandoned.

Mr. Speaker, it has been repeatedly stated during the debate, until it has become a trite statement, that no one, in the nature of things, can be entirely satisfied with a Tariff measure. I know that not a single member of the Ways and Means Committee, who helped to frame the bill in the first instance, approved all the items in the bill. I know that there are many provisions of the bill that were incorporated without my vote and against my protest. Notwithstanding this, I am very glad to give my support to this measure. If each man on this floor was to oppose the bill because he was disappointed or not satisfied with some of its provisions, we would be compelled to abandon all efforts to pass this measure or any other Tariff bill that might be prepared.

***Every Tariff Measure Is a Compromise.***

It represents mutual concessions. No Tariff bill ever prepared has been without its imperfections and inconsistencies. Every Tariff bill from the foundation of the Government has been considered as a political question. In the preparation of this bill an honest effort has been made to fulfill the promise of the Republican party contained in the platform of the last presidential election. Our criterion in fixing the duties has been to make the duty equal the difference of the cost of producing the article at home and abroad, with a reasonable profit to the producer. That difference in cost, in

my judgment, should be the difference in cost in the competing markets, or, in other words, the place where the competing articles are to be consumed. In fixing this difference, in order to do justice and give that measure of Protection which is essential, you must consider many elements. You must consider the nature of the articles between which there is competition.

### **The Most Important and Comprehensive Measure Ever Enacted by the American Congress.**

*From the Congressional Record of September 1, 1909.*

NELSON W. ALDRICH, of Rhode Island. Mr. President, the people of the United States are to be congratulated that this prolonged Tariff debate is about to close. Every member of this Senate is weary of the discussion—a weariness which I share to the fullest extent. The bill which is about to be voted upon and which will become a law in the course of a few hours will be in many respects the most important and comprehensive measure ever enacted by the American Congress.

It will cover not only the whole range of Tariff rates, but it will provide for many other things, some of them more important than its Tariff provisions. It provides a system of maximum and minimum duties, which are essential for the Protection of American interests at home and abroad. It provides a comprehensive administrative act for the collection of customs. It provides a new method for the assessment of duties by taking into consideration the home as well as the foreign valuation. It establishes a customs court, a tribunal for the final decision and disposition of customs cases. It extends the drawback provision of the existing law to manufactured articles composed in part of materials upon which an internal-revenue tax has been paid—a provision which, in my judgment, will be extremely beneficial to our foreign trade.

It enables the shipbuilders of the United States, who build ships for for-

eign account and ownership from imported materials, to receive the full benefit of a drawback upon those materials; and I believe it will enable our shipbuilders to enter into competition with foreign shipbuilders for the construction of ships for foreign account, including battle-ships for other countries. It contains many other very important legislative provisions which I will not take the time of the Senate to recount.

### *A Matter of Sincere Regret.*

Mr. President, it is a matter of sincere regret to me that the bill will not receive the unanimous approval of Republican Senators. An act of this kind, so important and comprehensive in its character, should receive, it seems to me, the support of all Senators who believe, as I do, in the policy of the party and in the principles of Protection. I do not fail to realize that the Senators who can not give their support to this measure are as much entitled to their judgment and are as conscientious in the performance of their duty as are those who will vote with the majority. I am certain that the Republican Senators who will vote against the bill are entirely mistaken as to the character of the measure, and I am equally certain that they have been misled by the misrepresentations of interested parties.

As it applies to rates, the Senator from Texas [Mr. Bailey] says that the average ad valorem in this bill will be higher than the existing law. The Senator from Texas knows as well as I that the Protective character of an act can not be determined by the average ad valorem rates imposed by it. The British customs Tariff, which has no Protective features in it, or very few, imposes an average ad valorem rate of between 75 and 80 per cent upon all the articles included in its provisions, yet I will assume that it will not be claimed that the British Tariff is a high Protective measure. This bill is not to be judged by its average ad valorem or by the equivalent ad valorem levied upon any particular article; but it is to be judged by the character of the measure as a whole. In making that test, I ask the attention of the Senate for a moment to the principles followed in its construction.

### ***Protection Does Not Mean Prohibition.***

It does not mean excessive duties; but it means duties which will equalize conditions—conditions of production and distribution between this country and other competing countries. This is not a new principle, nor was it enunciated for the first time in the Chicago platform. It has furnished the foundation upon which has been erected every wise Tariff law that has been enacted in our history.

The Senator from Texas says truly that we have reduced duties on 500 articles. Why have we done so? Because the duties lowered were higher than were necessary to protect the American industries to which they applied. That is the reason. Protection does not involve the imposition of rates which will permit or insure monopoly in the United States. The purpose of Protective duties is by the equalization of the conditions to which I have alluded to permit the existence in this country of all the various industries involved, to encourage them, to protect them, to develop them; the theory of Protection being that, if we permit American industries to live by the imposition of Protective duties, competition in this country will so affect prices that it will give the American consumer the best possible results. That has been the true theory upon which the Protective policy has been based from its inception to the present time.

### ***Protection Does Not Tend Toward Monopoly.***

I can not understand how it is possible to have monopoly under the Protective system upon Protected articles. The enterprise and the energy of the American people have made such monopolies impossible. No Senator can point out a single industry in this country subject to a Protective duty that is controlled by a monopoly. I make that statement as broad as it is possible to make it. You can not have monopolies if Protective duties are levied, as they should be, along real Protective lines.

If there are any prohibitive duties in this bill, if there are any duties that are excessive along the lines I have laid down, I do not know it. I do not believe that there are any du-

ties levied in this bill that are excessive or that are prohibitory. I think those Senators who have an idea that there may be duties of that kind have not studied the bill and are not familiar with its provisions.

I will submit, and ask to have printed in the Record, a statement of the changes from the Senate bill by the conference report, and I hope that the Senator from Texas at some time will take an opportunity to examine it.

Mr. President, the conferees have increased the rates on 30 items above the Senate bill. We have yielded to the House increases in 30 cases, but we have reduced the duties below the Senate bill in something like 110 items. I shall not take the time of the Senate to read this list, but I am desirous of having it put in the Record, because I want the Senate to understand, and I want the people of the United States to understand, that any attempt on the part of the opponents of this measure to show that it has increased rates above the Protective requirements or that any of its rates are excessive is a mistake, as no such thing has taken place.

### ***No Misgivings as to the Future.***

I have no misgivings as to the future. I have heard before dismal prophecies like that which has just been uttered by the Senator from Texas. I have witnessed the passage of five Tariff bills by the Senate, and I have, on frequent occasions, heard Senators sitting on the other side of the aisle repeat and reiterate these dismal prophecies as to what would follow if we should follow the dictates of our judgment and adhere to the policy to which the Republican party has been so thoroughly committed. I have no fears for the future. The American people can be relied upon to maintain their unswerving loyalty to the Protective policy.

### **Better Be on the Safe Side; Make the Rates Too High Rather Than Too Low.**

*From the Congressional Record of September 1, 1909.*

CHARLES DICK, of Ohio. Mr. President, in many cases I have not agreed with the committee and some of the

changes agreed to in conference are not in accord with my ideas of Tariff revision, but I appreciate fully that all Tariff legislation is a matter of compromise and adjustment of differences and know full well that no member of this body is entirely satisfied with every schedule in this bill.

If you ask me why I am going to vote for this bill, I reply because in my judgment it is the best bill under all the circumstances which it was possible to frame at this time, for never in my observation has an effort to revise the Tariff been so involved by diverse and conflicting conditions.

I do not agree, Mr. President, that this bill is better than the Dingley law. That can only be determined by results, but if this measure shall do its work as well as did the Dingley law, we shall not need to either defend it or apologize for it. In my judgment we shall be less censured for making rates too high than for making them too low. An excessive rate invites capital and skilled labor to enter a field of competition, but a rate too low invites foreign competition into the field, closes mills, and destroys industries, and these can not be restored. Better, therefore, be on the safe side.

***Better Make the Rates Too High Than Too Low.***

I firmly believe the next revision of the Tariff will not be a "downward revision." That there will occur from time to time a readjustment of schedules there can be no doubt, but the encroachments of European and oriental producers in our own market, the best market in the world, together with the high Tariffs now in force in Germany, France, and other European countries, and one which Great Britain will adopt at no distant day, will arouse the American producer, the farmer, manufacturer, miner, and toiler alike to the necessity of Protecting this market for the benefit of those who make it, rather than for the benefit of those who would invade it.

Let us hope, Mr. President, that we have learned it is "better to have home competition than to have our markets dominated by foreign monopoly."

No vote of mine will be knowingly cast which will menace any industry

in this country, or threaten a single day's wage of any toiler in the land.

***Protection More Than a Local Issue.***

A one-time candidate for the presidency subjected himself to considerable criticism because he made the remark that the Tariff was a local issue. In the discussion of the schedules of this bill this once laughed at remark has been considered more seriously, until it seems to have been agreed upon by a very considerable class of people that the Tariff is solely and only a local issue. I desire to dissent most vigorously from that proposition. While it is true that there are many industries Protected by the bill which are local to perhaps one, or at least very few, places in the United States, and to that extent the people living in those localities are peculiarly interested in the Protection of that home industry. I can not see that such a situation at all sustains the proposition that the Tariff is a local issue. For my party, while I have been anxious to see adequate Protective rates maintained for the industries of my own State, I have been just as willing to see the industries of every other section of the country equally Protected. I have voted heartily for Tariff rates necessary to Protect the industries of the great West and of the industries of New England. I have been willing to accord to every section of the country the same measure of Protection I have sought for my own.

I am a firm believer in a Tariff for Protection. I believe the rates should be high enough not only to maintain the present high rate of wages paid the American laborer, but should also be high enough to give the manufacturer a fair profit on his investment. That is the substance of the Tariff plank in the last Republican national platform. The doctrine laid down there has been my guide in all the votes taken on this measure. I have tried to be consistent and have endeavored as best I could by my votes to secure a Tariff bill which will afford adequate Protection to every American industry.

***Our Obligation to Our Wage-Earners.***

We have for the last fifty years developed a labor market by encouraging



the establishment of factories and mills to make manufactures of cotton and wool and iron to supply the domestic demand and to sell abroad. We have thirty-five to forty millions of men and women, including those dependent on them, who toil by their hands and with their brains to produce articles of commerce. We are under obligation to the capital invested and to the wage-earners to protect this market. What are we to do with this great multitude? Shall we, with the deluded idea of benefiting the consumer and encouraging the foreign manufacturer, turn them out of American mills and shops and set them to tilling the soil? The attacks on the American manufacturer we have heard in this Chamber are attacks on American labor, and if ever successful will inevitably tend to bring the American laboring man nearer to the level of the foreign laborer. What is to become of our obligations to the men who toil? We can not harm the manufacturer without injuring the laborer. The man in the shops is the man most vitally concerned in the schedules of this bill.

The Standard Oil Company, International Harvester Company, Singer Manufacturing Company, and other great industrial combinations have plants abroad. The most profitable plant of the Pittsburg Plate Glass Company is in Belgium. Why may not the steel corporation do the same? It has the ability to do so, and the principal loss would be to the American wage-earner. After we have beaten down our duties and opened our market to the foreigner, a short experience of this disastrous policy would compel us to raise our duties in order to rebuild ruined home industries and correct our former mistake. A great steel corporation may go abroad, but the small steel manufacturer can not. He will have to shut down, blow out his furnaces, and pocket his loss.

#### *Our Industrial Success Due to Preservation of Home Market.*

It was not many years ago that the United States occupied a very insignificant position as a manufacturer of iron and steel. It is within the memory of most of us when we purchased steel rails abroad and paid for them

at the rate of \$125 a ton. As a direct result of the policy of Protection the United States now occupies a very important position in the iron and steel industry, and its total production is greater than that of Great Britain, Germany, and Belgium combined. This is due, however, not to our foreign trade in this line of manufacture, which normally is only 10 per cent of our total output, but is due to our domestic market, which has been built up and maintained by the policy of Protection. Because of the encouragement thus given to home industry there has been an enormous development of business. An immense amount of capital has been invested, and hundreds of thousands of workmen have been given profitable employment. The high rate of wages paid the American workman has enabled him to live in a state of comfort unknown to the workman of any other country. It has enabled him to give to his children greater advantages and opportunities, which have been the direct cause of a great increase in the economic and industrial efficiency of the country. The wealth thus created has been more evenly distributed than in other countries not enjoying the same advantages. Higher wages to workmen mean a better market and higher prices for the farmer and all he produces. He has been able to wear better clothes and live in better homes, and this has built up additional industries and given profitable employment to other workmen, and the whole country has reaped the reward in the industrial supremacy which it now enjoys. The enormous production of iron and steel, made possible in this country by the policy of Protection, has caused the wonderful development of all industries using such material. Without the policy of Protection this tremendous development would not have taken place as soon as it has taken place, and perhaps it never would have occurred. It must not be forgotten that Great Britain did not abandon the policy of Protection until she had practically conquered the markets of the world because of her low production cost, and it must also be remembered that when Great Britain entered upon a policy of Free-Trade the markets of Continental Europe had

not been closed as they have been since by high Protective Tariffs. It is safe to assume that Great Britain would not have turned from Protection to Free-Trade had her chief foreign markets at that time been Protected as they now are by high Tariff walls.

#### *Possibilities as to Foreign Markets.*

We talk about the Industrial supremacy of the United States and about conquering the markets of the world, but it must not be forgotten that our chief exports are those things which we produce in large quantities and which the countries buying of us do not produce, and that the great markets of Europe, outside of Great Britain are closed to us on competitive products. The time is not yet come, and will not come as long as the American wage-earner lives better than does his foreign competitor, when the United States can throw open its magnificent market to the manufacturers of Europe. We must Protect our manufacturers against average trade conditions, and not against abnormal conditions which prevail in times or periods of great domestic depression.

Tariff schedules must be framed to meet normal conditions both at home and abroad. If this is not done, foreign manufacturers will take advantage of like periods of depression to market their output in this country at prices which the domestic manufacturer could not possibly meet.

#### *Importers Represented to a Larger Degree Than Domestic Manufacturers.*

American manufacturers and business interests are criticised as if it were a crime to maintain representatives at Washington to look after their interests in this bill and with carrying on a campaign of publicity in their own behalf. I am told by those who should know that great importing interests are represented here to a larger degree than domestic manufacturers, and that for every dollar expended by home producers in printers' ink and advancing their interests, three dollars have been spent for the same purpose by the importing interests. My attention has been called to letters and printed matter and to briefs

presented by its attorneys emanating from a firm of importing iron and steel merchants who are known as the exclusive United States representatives of the great Krupp Steel Works, in Germany. They have suggested numerous amendments to this bill, every one of which is against the interests of the home manufacturer and in favor of the gigantic plant in Germany which they represent.

#### *Decline of British Industries.*

The true test of an economic system, like all other things else, is found in its results. Judged by this test, Free-Trade has proved a stupendous failure, first, by being rejected by all countries except one, and by all the self-governing colonies of that one, and, second, by its exposure of the industries of that country to the disaster which has been coming upon them in recent years. It has long been known that the agriculture of Great Britain has been all but ruined by free imports of agricultural products, but this has been excused by the belief that it has made food cheap to the people, and has therefore built up and preserved a manufacturing prosperity far exceeding in value the products of the land. The inquiries of recent royal commissions have shown that both agriculture and manufactures in nearly all branches have suffered and are still suffering like those of no other free country.

#### *The Rise in Prices.*

I am unwilling to leave this general discussion of the Protective system—I will not say defense of the system, for it needs no defense—without a word about the charge that it is in some mysterious way responsible for the advance in prices which has characterized conditions in recent years. Why this charge should be seriously made by serious or well-informed people is difficult to understand. Can they really believe that the Protective-Tariff, either in the United States or elsewhere, can in any way have been responsible for the advance in prices in the country of production of the silk and tea of China and Japan, the india rubber of Africa and Brazil, the manilla hemp of the Philippine Islands, the rice of Siam and Burma, the tin ore of the Malayan Peninsula, the jute

of India, the raw cotton of Egypt? Yet the reports of our Bureau of Statistics of the Department of Commerce and Labor show advances within a few years of from 50 to 100 per cent in the cost in the country of production of all these articles. Can they see any reason why the Protective Tariff makes people in other parts of the world willing to pay higher prices for our wheat and flour and corn and meats? Yet it is well known that the prices at which these articles, the products of our farms, are being exported are from 50 to 100 per cent higher than a few years ago. True, we believers in the Protective theory will admit that the home activities, the prosperity of the masses resulting from the activities of our manufacturing interests and the distribution of two and one-half billion dollars a year as wages in our factories, have given a good home demand and good home prices for our farm products, but it will scarcely be claimed that the Protective Tariff makes the Free-Trade Englishman willing to pay more for our meats or live cattle, the Dutchman of low-Tariff Holland willing to advance his prices for our wheat or flour or copper, or the manufacturing countries which import our cotton free of duty willing to pay higher prices for that article.

Nor can it be charged that Protection is responsible for the general advance in prices and wages in England, in Belgium, in India, in Egypt, in Japan, or the other countries in which Tariff can not be classed as Protective, at least in the sense in which we consider Protection.

The cause of the advance in prices the world over, in Free-Trade countries as well as those having Protection—for the advance is general and without relation to Tariff systems—is found in the general business activity, in the general employment, and in the higher earnings of the employed, the higher earnings of all classes, and therefore, the willingness to buy more and to pay higher prices for the things wanted and bought.

In conclusion, Mr. President, while this bill may not be entirely satisfactory, in my opinion under all the existing conditions it is the best Tariff measure obtainable in this Congress,

and, predicating my action on the belief that in the main its provisions are amply Protective and that the country as a result of its enactment will enjoy a period of marked advancement and substantial prosperity, I shall cast my vote in favor of the bill.

### **The American People Were Provided With as Merry a Christmas as Had Ever Fallen to Their Lot.**

*From the Congressional Record of December 20, 1909.*

CHAUNCEY M. DEPEW, of New York. Mr. President, the message of the President of the United States, communicated to the two Houses of Congress at the beginning of the second session of the Sixty-first Congress, on the 7th of the present month, concluded as follows:

Speaking generally, the country is in a high state of prosperity. There is every reason to believe that we are on the eve of a substantial business expansion, and we have just garnered a harvest unexampled in the market value of our agricultural products. The high prices which such products bring mean great prosperity for the farming community, but on the other hand they mean a very considerably increased burden upon those classes in the community whose yearly compensation does not expand with the improvement in business and the general prosperity. Various reasons are given for the high prices. The proportionate increase in the output of gold, which to-day is the chief medium of exchange and is in some respects a measure of value, furnishes a substantial explanation of at least part of the increase in prices. The increase in population and the more expensive mode of living of the people, which have not been accompanied by a proportionate increase in acreage production, may furnish a further reason. It is well to note that the increase in the cost of living is not confined to this country, but prevails the world over, and that those who would charge increases in prices to the existing Protective Tariff must meet the fact that the rise in prices has taken place almost wholly in those products of the factory and farm in respect to which there has been either no increase in the Tariff or in many instances a very considerable reduction.

### **Shedding a Few Beams of Tariff Sunshine.**

Notwithstanding this clarion note of satisfaction and hope from President Taft, who speaks with authority from a recent visit to nearly all parts of

the country, and from the reports of officers of the Government in close touch with every department of American industry, production, and finance, the country is burdened by an unprecedented amount of pessimistic prophecy in relation to our future. We are told that the Tariff which passed at the close of the extra session in August last has raised the price of the necessaries of life, and is essentially a measure for revision upward instead of downward. The daily and weekly press and the magazines are filled with articles predicting a failure in the near future of our food and fuel supplies. This feeling of pending peril is also voiced in the co-ordinate branch of this Congress. Such views are most untimely on the eve of Christmas. They make melancholy those choicest days of the year, the holiday season. I desire therefore to spread upon the record, if I may, a few beams of sunshine, and to prove, which I think can easily be done, that the American people have before them as merry a Christmas as has ever fallen to their lot.

#### *The Usual Tactics of Democrats, Free-Traders, and Mugwump Republicans.*

The Tariff bill has been viciously assailed, and its provisions have been subject to more glaring misrepresentations than any other enactment in this generation. The same tactics were employed by Democrats, Free-Traders, revenue theorists, and disgruntled Republicans against the McKinley bill when it was enacted in 1890. The elections came before the practical workings of the measure could demonstrate the falsity of these attacks, and the Democrats elected a President and both Houses of Congress. Their first effort was to revise the Tariff, and the result was what is known as the Wilson-Gorman bill. Following its passage and the effect it had upon American industries and labor, we had one of the most severe panics in our history. Out of this distress came the triumph of McKinley, with a majority in both Houses and the passage of the Dingley bill, under which we have lived and prospered since 1897.

During that period there was an increase in the value of American man-

ufactures of over twelve hundred millions of dollars, and an increase in the number of workers in every department of American industry from 26,350,000 to 34,000,000. The extraordinary feature of this is that under our economic system we have been able to find remunerative employment for this addition of 7,650,000 who required employment at paying wages. There has been an increase during the same period of 50,000 manufacturing establishments, working in 368 different industries, offering employment in new industries developed by Protection which did not exist when the Dingley bill was enacted.

#### *Five Hundred Reductions of Rates Covering Thousands of Articles.*

In the new Tariff there have been 500 reductions of rates, covering thousands of articles. The increases have been about 100—almost entirely in articles of luxury. In agricultural implements, like wagons, mowers, binders, harrows, rakes, plows, cultivators, thrashers, and drills, there has been a uniform reduction of 25 per cent. In red and white lead for paint, in varnishes, glazed brick, earthenware and china in common use, and common window glass, there has been a reduction of from 10 to 33 per cent. Bar iron used by blacksmiths has been reduced 50 per cent, and so have steel rails, while on steel beams and girders for buildings, hoop and bar iron, barb wire for fences, bolts and nuts, knives and forks for table use, spikes and nails, horseshoes, muleshoes, tacks, brads, saws, screws, sewing machines, typewriters, all of which are necessary for house-building business and domestic purposes, the duties have been reduced from 12 to 50 per cent.

Oilcloths and linoleums for floors have been reduced from 9 to 38 per cent, and oilcloths for tables, and so forth, 40 per cent. The duties on bituminous coal have been reduced 33 per cent; print paper, 37 per cent; hats and bonnets, 20 per cent; boots and shoes, 40 per cent; sole leather and belting, 75 per cent; leather for shoe uppers, 25 per cent; gloves for ordinary use, 30 per cent; harness, saddles, and so forth, 55 per cent. In addition, we have let in Philippine and Porto Rican sugar free and retained

the 20 per cent advantage for Cuban sugar. In lumber necessary for cheap houses there has been a reduction of 50 per cent on part and from 30 to 37 per cent on the rest. Fence posts have been made free, and laths have been reduced 20 per cent. It will be seen here that in everything which enters into the life of the farm and the building of a home and to its furniture there has been a very marked reduction from the duties in the Dingley bill. Petroleum and all its products have been made free.

**Decreased Rates on Goods Valued at  
\$5,000,000,000.**

Summing up the whole matter, the Tariff under the new Payne law has been decreased from the Dingley rate on imported goods valued in round numbers at \$5,000,000,000, while the Tariff has been increased on goods, other than liquors and luxuries, valued at only \$241,000,000 in round numbers. If manufacturers, middlemen, wholesalers, and retailers do not absorb these reductions in the Tariff, these articles in common use should be much cheaper to the consumer.

Now, what will be the effect upon the consumer? The National Clothiers' Association says that it must add \$3 to \$12 suits and \$5 to \$20 suits, because of the increase in the cost of cloth on account of the Tariff. There has not been a penny's increase in this Tariff, either in wool or in the cloth. The cloth in a \$12 suit costs \$3, and the duty on the wool would be 75 cents. The cost of the cloth in a \$20 suit is \$5, and the duty on the wool is \$1.25. As there has been no increase this year in wages, rentals, buttons, thread, and other things which make up a suit of clothes, it is evident that if an advance is made it must be an additional profit to the manufacturers and retailers of ready-made clothes. The reduction on boots and shoes will amount to from 30 to 50 cents a pair to the manufacturer.

If we are to retain the Protective system, with its underlying principle of maintaining American industries and the American standard of wages and employment for American workmen, and have markets for our ever-increasing productive power, this Taft-Payne-Aldrich law is the

***Fairest, the Most Equitable, and the Most  
Beneficent Tariff Bill Which Has Been  
Passed in Our History.***

It will have had fifteen months of operation before a general election, and in that time will have demonstrated its value. There has been an increase in the cost of living during the last ten years. The same thing is true in all highly organized industrial countries. There has been little increase in the cost of clothing or rentals, and none in transportation. The increase has been mainly in the cost of food, which makes up so large a proportion of the expense of a family averaging five or more members.

Wheat was selling at the time of the enactment of the McKinley bill at 65 cents a bushel. It now brings \$1.20 at the farmers' doors.

Corn was selling then at 15 cents a bushel and it is now bringing 65 cents.

Beef on the hoof was then selling below the cost of production—I think about 4 cents a pound—and now it is selling at 7½ cents.

These are the principal articles which enter into the food of the family. Tariff people believe that this increase is due to the enormous advance in the demand because of the purchasing power of the American people from remunerative employment due to Protection.

If, as the statistics apparently prove, there were 3,000,000 out of employment, and with little or no purchasing power for themselves and their families, in 1896 and 1897, and they have been reemployed and employment found for all those who had work at that time and 7,650,000 additional, it will at once be seen where this greater demand

***Has Given Higher Prices to the Farmer,***

though his cost of production has not been increased at all. So far as the farmer is concerned in this Tariff, while reductions have been made, as I have cited, in almost everything which he uses, the Tariff on his wheat, corn, oats, rye, beans, onions, potatoes, flaxseed, butter, cheese, poultry, cattle, horses, sheep, milk, eggs, and hay has remained the same as in the Dingley bill except the slight raise in some of these products.

Democratic objectors to the Tariff complain that the schedules are not reduced to the old-fashioned Democratic doctrine of Tariff for revenue only; at the same time, in the articles in which their own States are interested, they have generally demanded the highest duties known in the bill, claiming, however, that it is not for Protection, but for revenue—as pineapples, for instance, at 128 per cent increase. The Republican insurgents admit that there has been a reduction downward in the Tariff duties from the rates in the McKinley bill, but they complain that it has not gone far enough in articles which are produced in other States than their own, but in the articles in which their States are interested it has gone too far.

The difficulty with the insurgent Senators is that while they had a case, or thought they had, when shouting so long and so loudly for revision downward, after the Chief Executive of the United States secured such radical reductions and then set his seal of approval upon the law as revising downward according to party pledges and popular expectation, they must necessarily, while still opposing the measure, include President Taft in their criticism and denunciation. We of the majority,

#### *Marching Under the Leadership of Our President,*

have no explanations to make, because we know the beneficent results which have already been experienced and believe that greater will follow. The operations of the new Tariff law will be the most eloquent speech which could be delivered in its behalf and in justification of our votes.

But our insurgent friends must explain and, so long as their critical attitude is unchanged, keep on explaining why they are more intelligent, more virtuous and more public-spirited than the official leader of their party and the great majority of their political associates in the two Houses of Congress.

The difference between my insurgent friends and the majority is that, while they were the largest contributors to the 9,776,000 words in the Tariff speeches in the Congressional Record and contributed hardly a line to the Tariff law, we who supported the bill stayed in the kitchen with the cook and know exactly not only the ingredients, but the amount of each and the time required for perfection in the cooking of a cake which will be enjoyed this Christmas by the whole American people, and the cake will be larger and richer with each recurring anniversary.

#### *Great Increase of Farm Products.*

With the passage of the new Tariff bill, we enter upon a period of prosperity unknown in the history of this or any other country. From results gathered by careful examination all over the country, there will be an increase in the production of winter wheat, spring wheat, corn, oats, barley, and rye in 1909 over 1908, in round numbers, of one thousand one hundred and sixty-nine millions of bushels, or 27 per cent, and that 27 per cent increase is in comparison with a normal year. There will be an increase in the hay crop in the same period of over three millions and a half of tons. The following summary of crop reports, not including cotton, will give some idea of the situation.

	1908.	1909.	Difference.	Per cent.
	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	
Winter wheat .....	437,908,000	451,175,000	13,267,000	3
Spring wheat .....	226,694,000	301,427,000	74,733,000	33
Corn .....	2,668,651,000	3,419,287,000	750,636,000	28
Oats .....	807,093,898	1,119,061,000	311,967,102	38
Barley .....	166,756,000	183,431,000	16,675,000	10
Rye .....	31,851,000	33,443,000	1,592,000	5
<b>Total .....</b>	<b>4,338,953,898</b>	<b>5,507,824,000</b>	<b>1,168,870,102</b>	<b>27</b>
Hay .....	70,862,596	74,441,146	3,578,000	5.5

#### *Tariff the Efficient Instrument to Bring Back Prosperity.*

When we take into consideration the

prices which this enormous product of five thousand five hundred millions of bushels is bringing, which will all be additional riches from the soil, the

imagination is appalled at the new wealth which is to come to the country. To absorb and pay for this vast production the mills must be running, the factories on full time, the mines opened, and the transportation companies crowded with freight. This Tariff is the efficient instrument to bring about these results.

I was through the West in 1894 when from overproduction and other causes all the products of the farm were selling for less than cost. Now the farmers are richer than ever in our experience, with fewer mortgages and more money in the banks, because industrial conditions create a demand which is responded to in prices.

Some two and a half millions of new acreage goes under cultivation this year. Our farms will add in the coming year to the wealth of the country in the neighborhood of nine thousand millions of dollars. There is now on deposit in the banks of the United States in round numbers thirteen thousand six hundred millions of dollars, belonging to 25,000,000 of depositors. Of these, 6,000,000 are depositors in the savings banks, with fifteen hundred millions to their credit. Uncle Sam on this Christmas can smoke his pipe in peace, and, while serenely surveying the future, felicitate himself and congratulate the people upon the happy conditions of the present and our brilliant prospects for the future.





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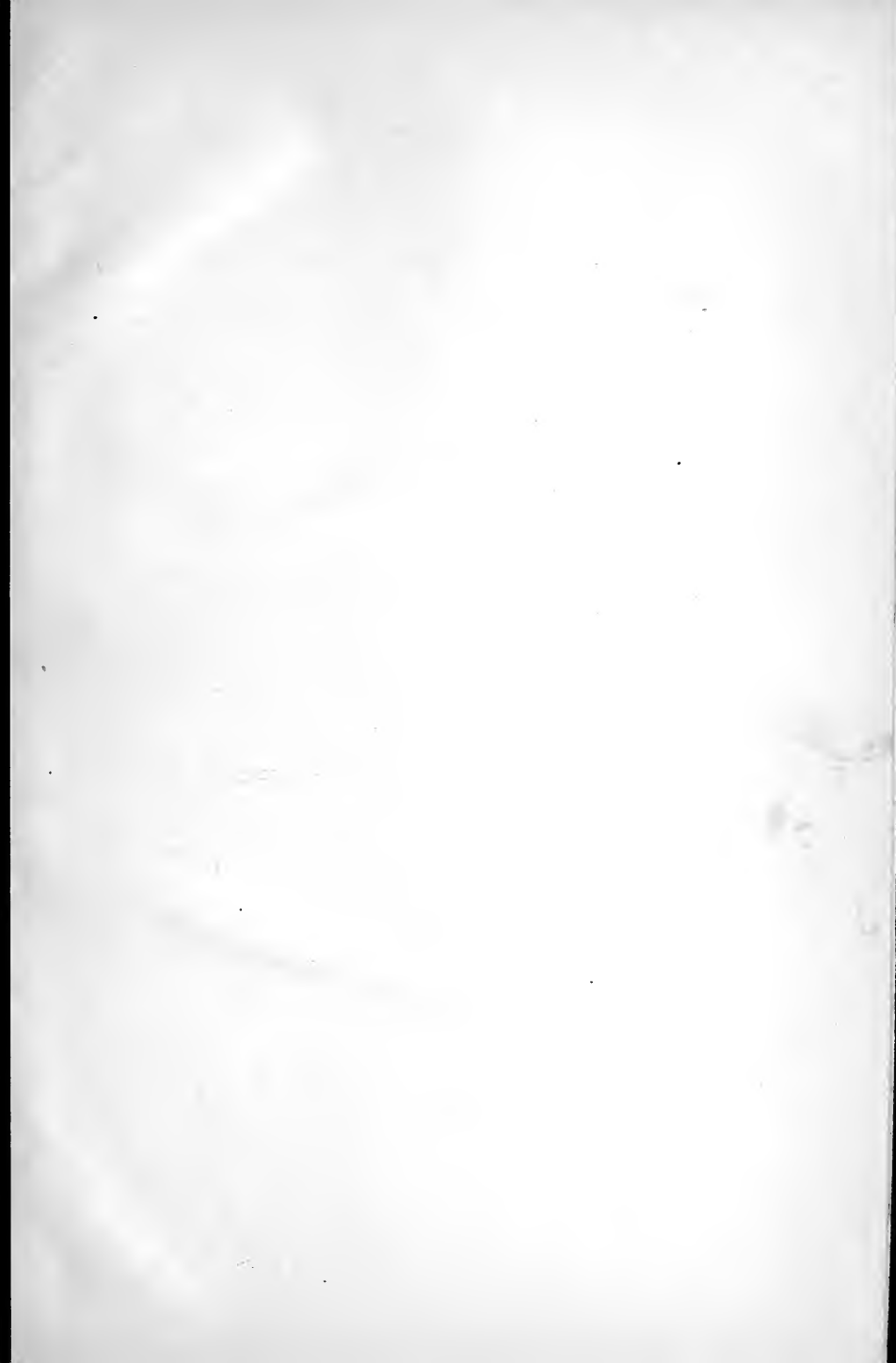
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## **THE AMERICAN PROTECTIVE TARIFF LEAGUE**

was organized under the society laws of the state of New York in 1885. The object is explained by the second article of its constitution as follows :

The object of this League shall be to Protect American labor by a Tariff on imports, which shall adequately secure American Industrial products against the competition of foreign labor.

---

### **MEMBERSHIP IN THE AMERICAN PROTECTIVE TARIFF LEAGUE IS EXPLAINED BY THE FOLLOWING PLEDGE :**

The undersigned hereby declares his devotion to American industrial independence and pledges himself to pay to The American Protective Tariff League annually the sum of One Hundred Dollars (or so much thereof as may be called for in any year by the Executive Committee), with the privilege of terminating this obligation by giving written notice to the General Secretary of the League on or before December 31st for each year thereafter.

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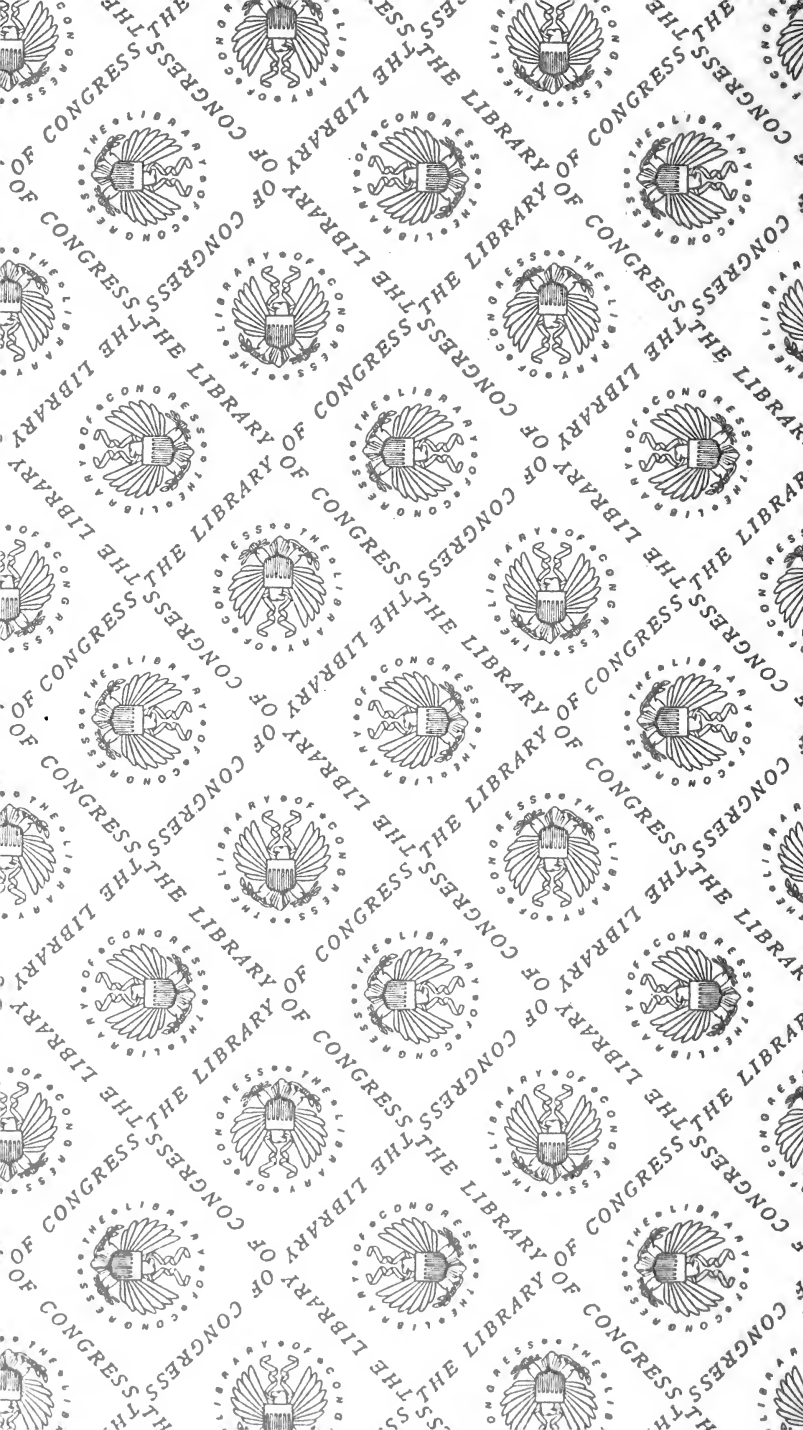


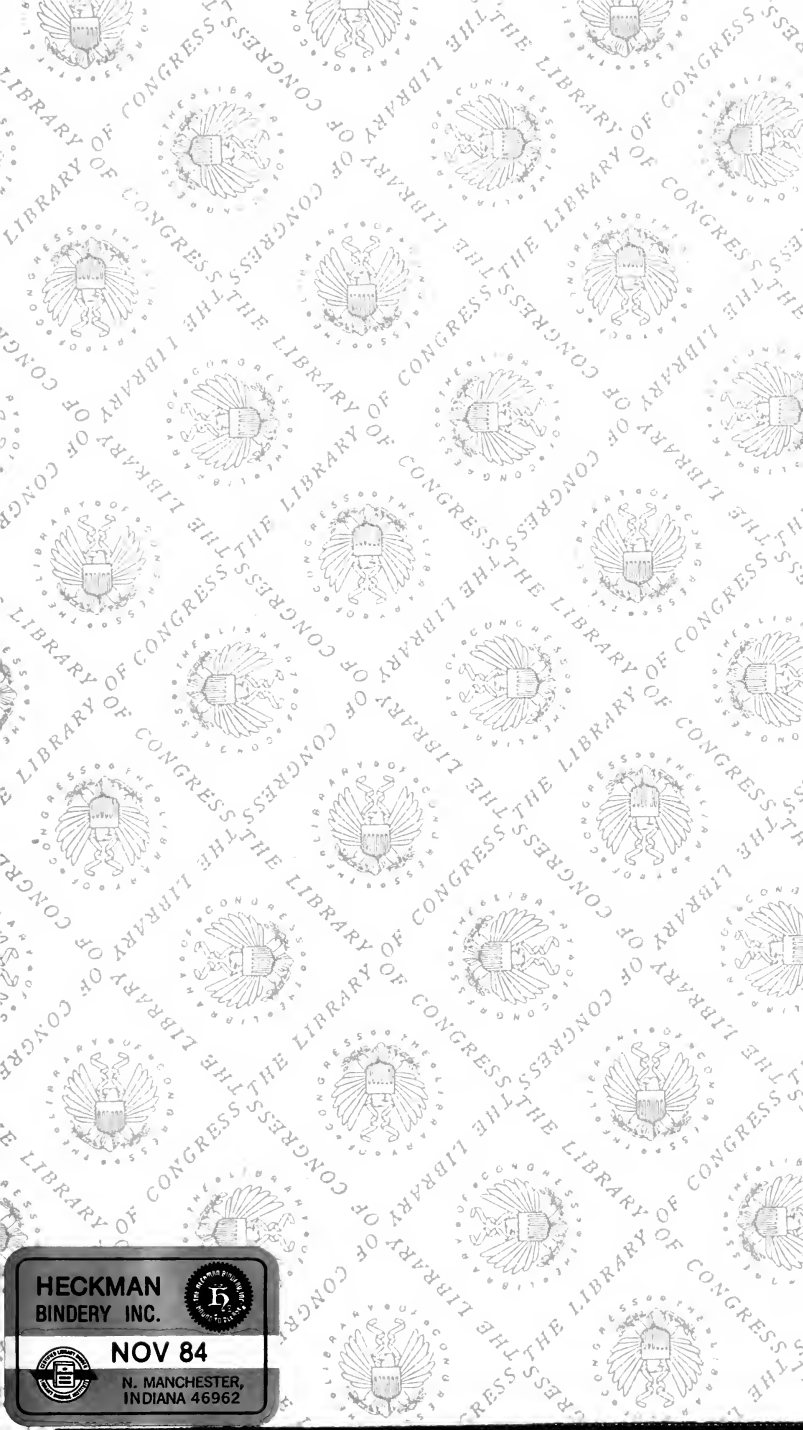












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